

3951. Also, petition of Ida M. Knox and 29 members of the General Welfare Federation of America, Second Congressional District of Rhode Island, urging passage of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3952. Also, memorial of the City Council of Providence, R. I., urging the United States of America use its good offices to safeguard the integrity of the Balfour declaration; to the Committee on the Judiciary.

3953. Also, petition of William H. Atkinson and 23 members of the General Welfare Federation of America, Second Congressional District of Rhode Island, urging passage of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3954. Also, petition of Flora B. Kneeland and nine members of the General Welfare Federation of America, Second Congressional District of Rhode Island, urging passage of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3955. Also, petition of Lucy Stelia Kneeland and 29 members of the General Welfare Federation of America, Second Congressional District of Rhode Island, urging passage of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3956. By the SPEAKER: Petition of American Ports Cotton Compress and Warehouse Association, New Orleans, La., petitioning consideration of their resolution with reference to cotton legislation; to the Committee on Agriculture.

3957. Also, petition of the city of Providence, R. I., petitioning consideration of their resolution with reference to the Jewish National Home in Palestine; to the Committee on Foreign Affairs.

3958. Also, petition of Archie Brown, of San Francisco, Calif., petitioning consideration of their resolution with reference to Casey Works Progress Administration bill; to the Committee on Appropriations.

3959. Also, petition of Vernon Douglas, of San Francisco, Calif., petitioning consideration of their resolution with reference to House bill 6470, Works Progress Administration appropriation; to the Committee on Appropriations.

3960. Also, petition of Lee Davis, of St. Petersburg, Fla., and others, petitioning consideration of their resolution with reference to General Welfare Act; to the Committee on Ways and Means.

SENATE

THURSDAY, JUNE 22, 1939

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O Love unchanging, Light unfading, in whom is all our strength and hope, we thank Thee for the unremitting care that has brought us in safety to this morning hour, this beginning of another day of service to our country and to our God. We silence our thoughts that we may feel Thee near. Shine through the mists of our mortality, that with quiet trust we may know that somewhere truth is always near, however clouded it appear to us, that there is a light that never fades though we lose sight of it.

And if through the deeper gloom of sin we have turned aside to try the ways of darkness and fear the light because our deeds are evil, yet leave us not, but purge our sins in the flame of Thy love, that once more in the light of Thy countenance we may find peace. We ask it in the name of Him who is the true light which lighteth every man that cometh into the world, Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Wednesday, June 21, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1117. An act to provide for the reimbursement of certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938;

H. R. 4133. An act for the relief of Joseph N. Thiele;

H. R. 5619. An act to provide for the training of civil aircraft pilots, and for other purposes; and

H. R. 5762. An act to provide for the temporary postponement of the operations of certain provisions of the Federal Food, Drug, and Cosmetic Act.

FINAL REPORT OF UNITED STATES SUPREME COURT BUILDING COMMISSION (S. DOC. NO. 88)

The VICE PRESIDENT laid before the Senate a letter from the Architect of the Capitol, member and executive officer, United States Supreme Court Building Commission, transmitting the final report of the Commission in connection with the construction, equipping, and furnishing of the United States Supreme Court Building, which, with the accompanying report and papers, was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

STUDY OF INVESTMENT TRUSTS AND INVESTMENT COMPANIES

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the third section of chapter II of part 3 of the Commission's report on the study of investment trusts and investment companies, entitled "Abuses and Deficiencies in the Organization and Operation of Investment Trusts and Investment Companies," which, with the accompanying report, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a petition of sundry citizens of San Francisco, Calif., praying for the enactment of the so-called Casey bill, House bill 6470, appropriating the sum of \$2,250,000,000 for the Works Progress Administration for the fiscal year 1940, which was referred to the Committee on Appropriations.

He also laid before the Senate a telegram in the nature of a petition from the Theatrical Managers, Agents, and Treasurers Union, affiliated with the American Federation of Labor, signed by James J. Murphy, secretary-treasurer, New York City, N. Y., praying for the adoption of the so-called Pepper-Wagner-Downey amendment to House Joint Resolution 326, to continue the Federal theater and arts projects under the Works Progress Administration, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution of the City Council of Providence, R. I., relative to the Jewish National Home in Palestine and the safeguarding of the integrity of the Balfour declaration in connection with the terms of the Palestine mandate, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a paper in the nature of a petition from a citizen of Etna, Pa., praying that the United States keep out of war, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a letter in the nature of a petition from Mrs. Charles Heisz, of Eastman, Wis., praying for the enactment of strict neutrality legislation, which was referred to the Committee on Foreign Relations.

He also laid before the Senate letters in the nature of petitions from several citizens of Pampa, Tex., praying for the

enactment of House bill 6466, embodying the so-called Townsend recovery plan, which were referred to the Committee on Finance.

He also laid before the Senate letters and a telegram in the nature of memorials from the Institute of Library Personnel, American Library Association, signed by Eleanor Hitt, chairman, Chicago, Ill.; the Board of Trustees of the Parmlly Billings Memorial Library, signed by J. D. O'Donnell, president, and the library staff of the Parmlly Billings Memorial Library, signed by Margaret Fulmer, librarian, Dorothy Huston, reference librarian, and Virginia Sanders, cataloger, all of Billings, Mont.; and the Education Round Table, American Library Association, in meeting at San Francisco, Calif., signed by Alice A. Frost, remonstrating against the confirmation of the nomination of Archibald MacLeish, of Connecticut, to be Librarian of Congress, which were ordered to lie on the table.

ARTS AND PROFESSIONAL PROJECTS UNDER THE W. P. A.—PETITION

Mr. GUFFEY presented the petition of the mayor of the city of Pittsburgh and other citizens, all in the State of Pennsylvania, which was referred to the Committee on Appropriations and ordered to be printed in the RECORD, without all the signatures attached, as follows:

To the honorable the Senate and the House of Representatives of the United States:

The petition of the undersigned respectfully shows:

1. That your petitioners are citizens of United States who are concerned with the cultural development of the Nation, supporters or practitioners in the fields of the fine arts and sustaining or practicing organizations in these fields, including the visual arts, letters, music, and drama.
2. That in the past the principle of fostering, protecting, and encouraging the development of the fine arts has been repeatedly adopted by governments throughout the course of history.
3. That the United States of America has during the past 4 years by means of the program fostered, accepted, and acted upon this principle in the field of the arts and demonstrated its profound and democratic value to vast sections of its population.
4. That the fine arts have always been instrumentalities for the promotion of national and international peace; and that therefore the encouragement of the fine arts is in effect a step in the direction of promotion of peace.
5. That promotion of the fine arts tends to develop Nation-wide and world-wide understanding and sympathy, as was pointed out by the first President of this country in his last will and testament.
6. That this support of the fine arts has demonstrated the native resources for a great national culture in the United States worthy of taking rank with any other culture in history.

Wherefore, your petitioners respectfully pray that your honorable Houses, taking full cognizance of the matters set forth above, will by legislative resolution and enactment through the provision of adequate appropriation endorse the principle of fostering, protecting, and encouraging the fine arts in the United States, and, further, by legislation enact into action this principle and make fair and just provision in such form as may be proper for the development of the fine arts by the continuance of the employment of the large number of existing needy professional citizens trained in these various arts on behalf of the millions of persons engaged in public services and the tax-supported and other eleemosynary and educational institutions whom they serve; by

The continuance of the policy of maintenance of skills which will preserve for our Nation these fundamentals of vast, profound, and broad cultural development; and by

The continuance of the underlying American philosophy of self-respect through work.

Respectfully submitted.

[Works Progress Administration workers are not eligible to sign this petition.]

CORNELIUS D. SCULLY,
Mayor, City of Pittsburgh, Pa.
AND OTHERS.

WORK RELIEF AND RELIEF—LETTER FROM MASSACHUSETTS COMMITTEE FOR THE DEFENSE OF W. P. A.

Mr. WALSH presented a letter addressed to Senator ALVA B. ADAMS, chairman of the subcommittee of the Committee on Appropriations on relief appropriations, which was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

MASSACHUSETTS COMMITTEE FOR THE DEFENSE OF W. P. A.,
Boston, Mass., June 21, 1939.

SENATOR ALVA B. ADAMS,
Chairman, Subcommittee on Work Relief Appropriations,
Senate Office Building, Washington, D. C.

DEAR SENATOR ADAMS: Following out your suggestion made yesterday noon, this committee submits the following summary of its petition, together with a statement of its position on the work-relief bill now before you.

To date petitions and resolutions in our hands and presented to you yesterday show that this committee has been endorsed by and may assume to speak for—

Thirty-four mayors of Massachusetts cities, including Boston, Worcester, Salem, Somerville, Peabody, Fall River, New Bedford, Holyoke, Northampton, Lowell, Lawrence, Taunton, Brockton, etc., besides smaller places, such as Marlboro, Everett, etc. (The names of all of these mayors and of the majority of the lesser public officials of these 34 cities appear in the petition which you saw.)

Ninety-five labor unions and allied organizations (see list attached), including such powerful groups as the Central Labor Union of Boston, Labor's Non-Partisan League of Massachusetts, Brotherhood of Shoe and Allied Crafts, regional councils and central bodies of both A. F. of L. and C. I. O., totalling in voting strength at least a quarter of a million persons. (We believe that your perusal of the detailed list attached will justify a higher estimate.)

A sponsoring body of 200 religious, civic, fraternal, political, and social leaders who, with the mayors already mentioned, make up 28 city and regional subcommittees of the Massachusetts Committee for the Defense of W. P. A. This organization will be permanent until the problem of unemployment relief in Massachusetts has been solved.

Fifteen thousand nine hundred and fifty-eight individual citizens who have signed petitions circulated by this committee throughout the Commonwealth during the past fortnight. Less than 10 percent of these are W. P. A. workers. (A large portion of these signatures have been collected by small merchantmen and shopkeepers who have displayed the petitions on their counters as a testimony to the dependence of their neighborhoods upon W. P. A.)

The request of all these officials, organizations, and individual signers of this petition is "that Congress appropriate a sufficient sum to restore the jobs now being wiped out, to provide employment for all those qualified and in need of work, and to continue unimpaired the present construction, "white collar," and Federal Arts Projects, without further increase in the costs now borne by local governments."

Attached is a photostat of page 1 of the petition, giving its full text and bearing the names of Mayor Maurice J. Tobin, of Boston, and 19 of the 22 members of the City Council of Boston.

A. WE ENDORSE THE MURRAY-CASEY BILL

This committee's executive board, and all organizations affiliating since the bill was filed, endorse S. 2507, as introduced by Senator MURRAY, of Montana, and Congressman CASEY, of Massachusetts.

The President's original proposals, although preferable to the bill voted by the House, would nevertheless cut W. P. A. so badly as to throw one-third of present W. P. A. employees onto local welfare rolls. Many of our Massachusetts cities and towns would face bankruptcy as a result.

B. THE HOUSE BILL (H. J. RES. 326)

This committee categorically opposes the following eight provisions of the bill adopted by the House:

(1) The transfer of \$125,000,000 of W. P. A. funds to P. W. A. This "transfer" is in fact a cut in the amount requested by President Roosevelt for W. P. A.—for new P. W. A. projects cannot possibly be opened in time to care for people now being dropped from W. P. A. rolls. This is especially true in cities like most of ours in Massachusetts, where the size of P. W. A. projects is such as to require long-term advance planning if waste is to be avoided.

(2) The elimination of the Theater Project is indefensible, for this is one of the least costly items in the entire W. P. A. program and represents a service to millions of our people who otherwise would be without recreational opportunities in time of unemployment.

The Theater Project, together with the Federal Music, Writers, Art, and Historical Records Survey Projects, are making notable contributions to community culture in Massachusetts. Allegations of radicalism or extravagance elsewhere should not be made the basis for punishing innocent and faithful workers in Massachusetts.

The House's proposal for requiring Federal projects to seek local sponsors is tantamount to abolition, and should be stricken from the bill. Local governments are not equipped to administer this kind of work, or to supervise such projects efficiently.

(3) The so-called security wage should be abandoned. We request your support for continuance of the prevailing-wage principle of payment, which is a prop to the entire wage structure and standard of living in New England. Good morale cannot be preserved in a town where wage rates are "half free and half relief."

(4) The \$40,000 and \$50,000 limitations on the size of projects are administratively unsound and tend toward waste and inefficiency. The test of a project should be its usefulness to the community—not an arbitrary financial limitation. The transfer of large construction projects (airports, hospitals, schools, etc.) to P. W. A., involving the greater use of machinery, will not tend to solve the unemployment problem.

(5) We protest most vigorously the proposed discharge without individual investigation of persons employed over 18 months as being arbitrary and capricious, penalizing faithful workers and especially those handicapped in obtaining employment by reason of local unemployment situations in Massachusetts or (in the case of single persons) due to age.

(6) No change should be made in the direction of stiffening present W. P. A. requirements concerning sponsor's contributions under which our local communities are already struggling with their present relief burden.

(7) We most urgently oppose making political activity of administrators and supervisors a felony as a further unwarranted abridgment of the civil rights of a hard-working and patriotic group of citizens.

Disfranchisement of the relief population is a first step toward concentration camps and nazi-ism.

(8) We protest the reduction in recommended N. Y. A. appropriations as tending further to embitter unemployed youth and to increase crime and delinquency. Even the full increase recommended by the President would be inadequate to care for youths dismissed from W. P. A. in present reductions.

In conclusion, we cannot avoid the observation that the entire Woodrum committee report (on which this bill was based) seems partisan, and in some respects sectional, in its approach to the work-relief problem. It is this committee's hope that you will support the position outlined above by voting to make the modifications suggested and by supporting a sufficient appropriation to provide work for all employable persons in need and without jobs.

Respectfully yours,

MASSACHUSETTS COMMITTEE FOR DEFENSE OF W. P. A.,
By JAMES H. SHELDON, *Chairman of Executive Board.*
GEORGE A. O'SHEA,
Member, State Legislature from Lynn, Mass.
GERALD J. CONNOR,
President, Industrial Life Insurance Agents' Union of Massachusetts; Chairman, Executive Committee, Labor's Non-Partisan League of Boston.
ALLEN BEAN, *Somerville, Mass.*
HOWARD NANGLE,
State Council Member, Young Democrats of Massachusetts.
ROBERT MANSFELD,
President, Young Democrats of Massachusetts.

(The above are members of the committee's delegation now in Washington.)

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2157. A bill for the relief of George H. Eiswald (Rept. No. 659); and

H. R. 4511. A bill to extend to Sgt. Maj. Edwin O. Swift, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men (Rept. No. 660).

Mr. NEELY, from the Committee on the Judiciary, to which was referred the bill (S. 1708) to amend section 51 of chapter 2, title 45, of the Code of Laws of the United States of America, reported it with amendments and submitted a report (No. 661) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCARRAN:

S. 2670. A bill authorizing the Western Bands of the Shoshone Nation of Indians to sue in the Court of Claims; to the Committee on Indian Affairs.

S. 2671. A bill to authorize the presentation of Congressional Medals of Honor to Howard C. Smith and Richard Aldworth; to the Committee on Military Affairs.

By Mr. NEELY:

S. 2672. A bill for the relief of J. W. and Robert W. Gillespie; to the Committee on Claims.

S. 2673. A bill for the relief of Henry C. Perrine; to the Committee on Military Affairs.

S. 2674. A bill granting a pension to Charles Lycans; to the Committee on Pensions.

By Mr. JOHNSON of California:

S. 2675. A bill for the relief of Perry Battle Carpenter; and

S. 2676. A bill for the relief of Henry A. Schoenberger; to the Committee on Finance.

By Mr. ASHURST:

S. 2677 (by request). A bill to amend section 2 of the act of March 4, 1931 (46 Stat. 1528), in regard to service of process on the United States in foreclosure actions; to the Committee on the Judiciary.

By Mr. REYNOLDS:

S. 2678. A bill relating to the reconcentration of cotton owned or held as security by the Commodity Credit Corporation or any other Government agency; to the Committee on Agriculture and Forestry.

S. 2679. A bill to amend the Independent Offices Appropriation Act, 1934, as amended, with respect to the authority of the Attorney General to compromise suits on certain contracts of insurance, to the Committee on Finance.

By Mr. WALSH:

S. 2680. A bill to provide for the clarification of certain provisions of the Social Security Act and of the Internal Revenue Code with respect to trustees of Massachusetts trusts and other fiduciaries, and for other purposes; to the Committee on Finance.

By Mr. SHIPSTEAD:

S. 2681. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Winona, Minn.; to the Committee on Commerce.

By Mr. KING:

S. 2682 (by request). A bill to amend the Fair Labor Standards Act of 1938 to provide a special procedure for fixing minimum wage rates for Puerto Rico and the Virgin Islands; to the Committee on Education and Labor.

By Mr. DONAHEY:

S. 2683 (by request). A bill granting the consent of Congress to the Commissioners of Mahoning County, Ohio, to replace a bridge which has collapsed, across the Mahoning River at Division Street, Youngstown, Mahoning County, Ohio; to the Committee on Commerce.

By Mr. WALSH:

S. J. Res. 157. Joint resolution authorizing the President of the United States to present to Eire on behalf of the people of the United States a statue of Commodore John Barry; to the Committee on Foreign Relations.

By Mr. KING:

S. J. Res. 158. Joint resolution providing that the farmers' market in blocks 354 and 355 in the District of Columbia shall not be used for other purposes; to the Committee on the District of Columbia.

WORK RELIEF AND RELIEF—AMENDMENTS

Mr. HATCH. Mr. President, I ask consent to submit an amendment which I propose to offer next week to the relief joint resolution (H. J. Res. 326) when it comes before the Senate for consideration. I now ask that it be printed and lie on the table.

The VICE PRESIDENT. Without objection, the amendment will be received, printed, and lie on the table.

Mr. HAYDEN submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 326) making appropriations for work relief, relief, and to increase employment by providing loans and grants for public-works projects, for the fiscal year ending June 30, 1940, which was referred to the Committee on Appropriations and ordered to be printed.

ADDITIONAL COPIES OF SENATE REPORT NO. 610: SURVEY OF EXPERIENCES IN PROFIT SHARING AND POSSIBILITIES OF INCENTIVE TAXATION

Mr. HERRING submitted the following concurrent resolution (S. Con. Res. 24), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That there be printed 12,000 additional copies of Senate Report No. 610, a report of a subcommittee of the Committee on Finance submitted pursuant to Senate Resolution 215 (75th Cong.), entitled "Survey of Experiences in Profit Sharing and Possibilities of Incentive Taxation," of which 1,000 copies shall be for the use of the Senate document room, 10,000 copies for the use of the Senate Committee on Finance, and 1,000 copies for the House document room.

ADDITIONAL COPIES OF HEARINGS BEFORE COMMITTEE ON FINANCE ON EXISTING PROFIT-SHARING SYSTEMS

Mr. HERRING submitted the following concurrent resolution (S. Con. Res. 25), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Finance of the Senate be, and is hereby, authorized and empowered to have printed for its use 10,000 additional copies of the hearings

held before a subcommittee of said committee during the Seventy-fifth Congress pursuant to the resolution (S. Res. No. 215), providing for an investigation of existing profit-sharing systems between employers and employees in the United States.

FLORENCE A. REICH

Mr. ASHURST submitted the following resolution (S. Res. 149), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Florence A. Reich, widow of Chester M. Reich, late assistant financial clerk of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

UMPQUA RIVER AND HARBOR, OREG. (S. DOC. NO. 86)

Mr. BAILEY presented a letter from the Secretary of War to the chairman of the Senate Committee on Commerce, transmitting, in response to a resolution of the committee, a report from the Chief of Engineers of the Army on a re-examination of the Umpqua River and Harbor, Oreg., which was referred to the Committee on Commerce and ordered to be printed, with an illustration.

THOROUGHFARE BAY FROM CORE SOUND TO CEDAR BAY NEAR THE MOUTH OF NEUSE RIVER, N. C. (S. DOC. NO. 87)

Mr. BAILEY presented a letter from the Secretary of War to the chairman of the Senate Committee on Commerce, transmitting, in response to a resolution of the committee, a report from the Chief of Engineers of the Army on a re-examination of Thoroughfare Bay from Core Sound to Cedar Bay near the mouth of Neuse River, N. C., which was referred to the Committee on Commerce and ordered to be printed, with an illustration.

AUTHORITY OF GOVERNOR OF PANAMA CANAL

Mr. LA FOLLETTE. Mr. President, when the Senate had under consideration Senate bill 2229 to provide additional locks for the Panama Canal, it was, at my request, that a statement by Mr. Hushing, representing some of the employees of the Canal, was read at the clerk's desk. Under date of June 20, 1939, I received a letter from the Secretary of War, Hon. Harry H. Woodring, together with an enclosure, and, in justice to the Governor of the Panama Canal, I ask unanimous consent that the letter and enclosure may be printed in the RECORD as a part of my remarks.

There being no objection, the letter and enclosure were ordered to be printed in the RECORD, as follows:

JUNE 20, 1939.

HON. ROBERT M. LA FOLLETTE, JR.,

United States Senate, Washington, D. C.

DEAR SENATOR LA FOLLETTE: The Governor of the Panama Canal has called my attention to a statement prepared by Mr. W. C. Hushing, which was read to the Senate on May 31, 1939, during the debate on S. 2229, to provide additional locks for the Panama Canal, and has furnished me with a statement in regard thereto, which I feel will be of interest to you. The Governor states as follows:

"As the statement by Mr. Hushing referred to makes rather definite charges against the Canal administration, I consider it my duty to offer you an explanation of the matters referred to therein, and, in view of the circumstances under which the statement was submitted, I feel that you will welcome the explanation, especially since the statement contains charges that are incorrect and unfounded and other matters which, if unexplained, would leave an erroneous impression.

"Although Mr. Hushing states that the Governor and his department heads have almost unlimited power, the fact is that this authority is definitely prescribed by Congress and by Executive orders of the President and is very definitely limited in scope. There is no basis whatever for the statement, and it is not correct that the Governor resents laws passed by Congress limiting his authority regarding wages and hours of labor. The authority of the Governor has always been limited by law, and, of course, it is realized that it will always continue to be limited as it should be.

"Mr. Hushing states that the Governor in past years has permitted the representative of the employees to go to the United States, 'providing he and those he represented agreed to present to Congress only such matters as were approved by the Governor.' The fact is that the labor representatives have been advised and know that the Governor has no intention or desire to restrict representation in Washington on behalf of the Canal employees on legislative matters pertaining to pay, hours of work, working conditions, leave, and retirement benefits. In this connection it is important to note that the so-called representative of the employees represents only a minority of the employees on the Canal

and railroad. With respect to legislative matters other than those mentioned above, it must be borne in mind that the Panama Canal is an important highway for world shipping and an important element in our national defense, for which the Governor is responsible to the President, to Congress, and to the American people. I cannot, therefore, favor, foster, or encourage efforts on the part of employees to secure legislation affecting matters of important policy that I know would be detrimental to the best interests of the Canal and the United States. The only matter of this character that has come up since I have been Governor is the proposal to replace the native tropical workers employed on the Panama Canal with citizens from the United States. This proposition is not only positively detrimental to the best interests of the Panama Canal and the United States but also positively detrimental to the present American employees and their children.

"Mr. Hushing states that the Canal and railroad officials have abused their authority. Since these officials exercise authority under direct and close supervision of the Governor I cannot conceive that they could abuse their authority without the knowledge of the Governor. So far as I know such a charge is entirely unwarranted and without foundation.

"Mr. Hushing states that this year the Governor would not permit the representative of local unions affiliated with the Metal Trades Council to go to Washington to act as legislative representative. This statement, together with the context, leaves the impression that the Governor refused to permit any employee to act as labor representative. The fact is that the representative referred to occupies a key position in the locks organization and was particularly needed on the job on account of the biennial overhaul of the locks which must be done during the dry season—January to April. During this overhaul all skilled mechanics and supervisory personnel are needed and in addition many others must be brought down from the United States. Moreover, the particular representative referred to holds the position of control-house operator, and, to a considerable degree, the safety of vessels passing through the locks depends on his skill and care. Consequently, the Canal administration could not justify his absence from the job 6 or 7 months every year as labor representative or for any other purpose. This local labor organization was given ample notice that the particular employee could not be spared this year, and they were urged to select another man to go in his place. However, they chose to employ Mr. Hushing this year.

"It is not true that the policy of the Canal and Panama Railroad officials 'has been to employ as many alien Negro West Indians as possible.' The present employment policies of the Panama Canal are those which have been in effect for upward of 30 years and are well known to many Members of Congress. This policy basically is that of employing American citizens in the administrative, technical, supervisory, and skilled craft positions and of employing natives of the Caribbean area as laborers, helpers, and in other positions requiring hard manual labor and little dexterity, craft skill, or scholastic knowledge. Our experience during the construction period and during the 25 years since the Canal was opened has demonstrated that this policy is entirely sound and is, in fact, the only one which it is practicable to follow in this tropical region. It is the policy which has been followed by private contractors on large projects in tropical latitudes everywhere in the world, and the experience of these private contractors as well as our own demonstrates conclusively that Americans cannot perform the work of unskilled laborers in the enervating climate of the Tropics. I am thoroughly convinced that the abandonment of this tried policy on this new project would be disastrous, not only so far as concerns the ultimate success of the project itself, but also as concerns the health and welfare of the workmen.

"The bill which was under consideration authorized the Governor to fix compensation without regard to other laws. Mr. Hushing's statement leaves the impression that the Governor will use this to do something detrimental to the employees' interests such as reducing the rates of pay. The purpose of this provision was just the opposite, namely, to meet the possible contingency that the services of engineers, experts, and other highly skilled technical personnel required for effective prosecution of the work could not be induced to come to the Tropics at rates fixed or limited by the Classification Act and the Panama Canal Act. It must be apparent to anyone who has knowledge of or experience in operation of an organization of the character of the Panama Canal that the administration could not discriminate against any part of the organization by paying rates lower than those paid generally in the organization. As a matter of fact it would have been entirely agreeable to the Panama Canal if the bill had provided that the compensation of such employees fixed by the Governor shall not be lower than the compensation paid for the same or similar services by the Panama Canal.

"On May 27 I received a letter from the Metal Trades Council requesting that steps be taken to amend the pending bill by the insertion of a clause to protect existing hours of labor and rates of pay. I promptly informed the employees that I would have no objection to such an amendment. No other suggestions concerning the provisions of the bill have been made to me by local labor organizations, although I have had several conferences recently with their representatives. The fact that the bill would be entirely satisfactory to local labor organizations with the amendment referred to above is attested by a letter received by me from the Metal Trades Council, a copy of which is enclosed."

Sincerely yours,

HARRY H. WOODRING,
Secretary of War.

THE CENTRAL LABOR UNION AND THE METAL
TRADES COUNCIL OF THE PANAMA CANAL ZONE,
Balboa Heights, C. Z., June 11, 1939.

GOVERNOR, THE PANAMA CANAL,
Balboa Heights, C. Z.

SIR: In regard to the statement of Mr. W. C. Hushing which was read into the Record of the United States Senate on May 31, the Panama Canal Metal Trades Council wishes to make it clear that the language and intent of this statement originated with Mr. Hushing.

Neither the officers of the council nor any of the membership had any knowledge of this matter until a copy of the CONGRESSIONAL RECORD of May 31 covering the proceedings arrived in the mail, just prior to the special meeting of the council on June 4, and was read at that meeting.

Inasmuch as Mr. Hushing is legislative representative of the American Federation of Labor as well as part-time representative of the Metal Trades Council, just where his activities begin and end on our specific instructions is, no doubt, confusing to one not supplied with the action of the council in the exchange of communications between the council and Mr. Hushing. In view of the foregoing, we are submitting the following.

The action of the council on bill S. 2229 to date has been to confer with the Governor and reach an agreement with him over the insertion of an additional clause designed to protect existing rates of pay and hours. The Governor did not object to a change of this nature, and the amendment was immediately cabled to Mr. Hushing with instructions to have it included in the bill and then do everything possible to expedite its enactment. That, in brief, is the extent of the council's activities concerning bill S. 2229.

In answer to the third question in your letter of June 10, the explanation is given in the first paragraphs of this letter; in answer to your question No. 1—no action has yet been taken by the Panama Canal Metal Trades Council.

Respectfully,

Charles F. Wahl, chairman; E. W. Hatchett, secretary; A. C. Plath, M. M. Casey, E. H. Cann, F. B. Turberville, Adam Mallett, T. A. Long, committee members.

PROPOSED ACQUISITION OF GREENLAND

Mr. LUNDEEN. Mr. President, I wish to make a brief statement.

The other day, in connection with the discussion of my resolution on negotiations for the acquisition of Greenland, and the discussion relative to the polar regions, I quoted an article from the magazine Life without giving credit to the magazine. The article in question was a well-illustrated article entitled "Antarctica." I should like to give credit to that very fine magazine.

ENLARGEMENT OF FARM-TENANT PROGRAM

Mr. LEE. Mr. President, yesterday the Senator from Alabama [Mr. BANKHEAD], by authority of the Committee on Agriculture and Forestry, reported a bill to enlarge the farm-tenant program and make it possible for more farm tenants to have a chance to own their own farms. I ask unanimous consent, in relation to that subject, to have printed in the RECORD, as a part of my remarks, an article by Bruce Catton, a Washington columnist.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR LEE THINKS HIS MORTGAGE BILL WOULD PUT TWO-THIRDS OF TENANT FARMERS AND SHARECROPPERS BACK ON THEIR OWN LAND

(By Bruce Catton)

WASHINGTON.—One of the big things the New Deal was going to do—back in its green and promising days—was to solve the farm-tenant problem.

It diagnosed the disease, described the symptoms copiously, and set to work, entrusting the task to the Farm Security Administration. But the Bankhead-Jones Farm Tenant Act, with which it equipped F. S. A. to do the job, didn't go far enough.

Under the first year of that act F. S. A. was able to put just 1,800 landless farmers on farms of their own. This year it hopes to raise that number to 7,000. It figures the maximum number it can handle under the act at 12,000 a year.

Meanwhile it estimates that the number of tenant farmers and sharecroppers is increasing at 40,000 a year, which leaves F. S. A. much in the position of the cat that tried to get out of a well by jumping up 2 feet and sliding back 3 on each leap.

AMENDMENT HOLDS PROMISE

Now, at last, there is a fair chance that a real, two-handed effort will be made.

Pending before a Senate subcommittee is the Lee amendment to the Bankhead-Jones Act, which, in effect, would apply F. H. A. mortgage-insurance principles to the farm-purchase program to the extent of \$350,000,000.

Fifty-two Senators have signed the bill as coauthors, rendering Senate approval virtually certain. Prospects in the House, though less bright, are still encouraging.

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Senator JOSH LEE, of Oklahoma, originator of the bill, believes that ultimately it would get something like two-thirds of the Nation's tenant and sharecrop farmers back on land of their own. That is a large order; as he remarks, 42 percent of American farms today are tenant farms, with the percentage far higher in some States.

In Mississippi, for instance, it is 69 percent; in Alabama, 64; in Senator LEE's own Oklahoma it is 61. Even in Iowa and Nebraska it is slightly higher than 49.

Under the existing law, the Secretary of Agriculture is authorized to make direct loans to tenants and sharecroppers to buy farms. The Lee bill would authorize the insurance of mortgages up to \$350,000,000 in 3 years. The tenant would make his own deal, and—if both he and his deal were O. K'd by an F. S. A. county committee—the Government would simply guarantee his mortgage. He could get up to 40 years to pay, and the paper would bear 3 percent interest.

CHANCE FOR FARM YOUTH

Actually, says Senator LEE, this \$350,000,000 wouldn't be a direct outlay by the Government. Most of the mortgages, he believes, would prove good. He is especially enthusiastic about the prospect of enabling ambitious farm youngsters to establish themselves on their own farms.

Thousands of these young people, he points out, come up through the 4-H clubs equipped with a bit of good livestock, boundless energy, and an aptitude for farm work and an ardent desire to buy farms, get married, and become independent farmers. He figures they are first-rate risks.

Some of the big insurance companies are likely to approve the bill. In many cases they have had to go into the farming business on a big scale; in an Oklahoma county, for instance, one insurance company has 600 farms on its hands.

Both Senator LEE and the F. S. A. people figure the insurance companies wouldn't mind getting a lot of those farms off their hands if they knew they wouldn't lose by it.

F. S. A. figures that the average price of a family sized farm the county over is \$5,000.

NEUTRALITY AND INTERNATIONAL AFFAIRS

Mr. BORAH. Mr. President, I have in my hand a statement made by several groups of Ohio citizens on the subject of neutrality and international affairs which I think is a statement of exceptional worth. I ask to have it inserted in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In view of the dangerous world situation and of the very important, responsibilities of members of our National Government therein, we as citizens of the Republic here endeavor to make plain to you our minds:

1. We emphatically protest any action taken, undercover or aboveboard, by our President or Members of Congress, or under consideration by them, which violates or alters the historic policy of neutrality which was initiated for our country by Washington and only violated during the last World War.

2. As a companion piece of policy to that of neutrality, the Monroe Doctrine must not be abandoned or perverted. On the contrary, it must be reasserted by the Senate that on the one hand the United States does not intervene in affairs of Europe or Asia and, on the other, we will not tolerate interference by foreign nations in affairs of the American Continent.

3. We remind you that these twin policies are essential to the full and free independence of our representative Republic, an independence in no way restricted by foreign alliances, entanglements, or unneutral actions. For if the United States engages in such relationships and adventures, entailing obligations of our belligerent action upon some future occasion, our form of government and society must of necessity change to one consistent with imperialism—much greater military and naval establishments, a more powerful central government, a constant readiness to carry out our part in world power politics—all of which inevitably greatly reduce the liberties and immunities of free citizens.

4. Naturally, we want peace; but if we are driven to accept war, we want a united people, and we think that that can be guaranteed always if our international relationships are nonpolitical, confined to affairs involving the fundamentals of our just rights and our independent existence.

5. We want those powers granted through our Constitution to President and Congress relating to the conduct of our foreign relations and war to be respected according to the oath of office by every member of our National Government, and we expect no evasion to be practiced, in the sanctimonious name of peace and morality, for the purpose of circumventing constitutional restrictions of those powers.

6. We remind you that whatever influence for peace and justice as among nations may rest with the United States depends upon our consistent and courageous neutrality in foreign disputes. Taking sides before and during one of these disputes destroys any good offices we might have performed as a neutral.

7. We condemn as presumptuous, dangerous, and unneutral any official meddling or provocation in other nations' affairs, which condemnation applies as well to criticism by men in public office of forms of government or society in other countries. It is time, too, that we, a people of diverse origin, again take a stand against

the basing of our foreign relations upon religious or racial bias or upon advice from foreigners or alien-minded boarders in our house.

We claim that it is no more absurd to label as fascism every defense of American individualism against socialism and communism than to label as nazi-ism every defense of traditional American neutrality and independence.

8. We confidently assert that very seldom can a nation be intelligently or accurately labeled as "aggressor," particularly by Americans, since the background of an incident or belligerency abroad is nearly always of long standing, cumulative, and involved—the popularly accused "aggressor" in fact being the victim of aggression by the so-called "peace loving" nation. We therefore doubt the practicality of the well-meant Kellogg Pact, as well as the consistency of its place in a policy of true neutrality.

9. We deny that there are any "actions short of war but stronger and more effective than mere words" which America as a neutral can take without assuming the status, responsibilities, and consequences of a belligerent. A nation is either in it or out of it. What kind of mind can think that a country can be a neutral and a belligerent at one and the same time?

10. We suggest it be remembered that the United States may well be at some time a belligerent, other nations neutrals, and that any false measures we as a neutral practice now against or for others will naturally be employed by them toward us then.

11. We object to our country's being used, through "understandings" or otherwise, as a make-weight in the European age-old struggle for boundaries and balance of power. We object to our fleet being used as a part of a world fleet made up of the fleets of the colonial empires, our own interests and safety being subordinated to the interests of others. Such struggles or the defense of the British, French, or other empires are none of our business.

12. We demand a national policy of self-defense only and condemn one of offensive imperialism. Our interest is national independence and the rightful interests of our citizens everywhere, no more nor less than we offer the nationals of other countries.

13. We protest the granting of new and un-American discretionary powers to any President in the matter of deciding what constitutes contraband of war or in the matter of when embargoes are to be imposed or withdrawn, and against whom. Congress, in the light of international law, precedent, and practice, can name a list of contraband. Congress can and should determine the question of embargoes, although we doubt that their imposition would either keep us out of more wars, keep us neutral, or result in justice between the belligerents. More important, we do not think our commerce should be thus deliberately destroyed by ourselves through fear and cowardice, nor, besides, that the fate of our commerce should fall into the hands of the President simply because a war breaks out abroad.

14. We think weak and cowardly the fatalistic, defeatist idea that this Nation could not keep out of any great war. Strange that this propagandized idea never occurred to Americans when the Nation was small and weak. Are we become so degenerate as to admit that the destiny of our Nation is out of our reasoned control now that we have become great and strong? Our forefathers did have courage, a self-respecting, masculine patriotism; they did have a decent regard for the kind of estate which was to be left to their children and their children's children.

15. We realize, of course, that our great economic depression is the direct result of our participation in the World War. It is an insult to anybody's intelligence to be told that this economic collapse is the fruit of capitalism. For once we are in complete agreement with Communists and their fellow travelers in being convinced that our engagement in another war at this time will certainly destroy what is left of our American institutions. These disciples of the gospel of St. Marx work night and day to drag us in.

16. Being mature in mind we also know that that World War did not cease in 1918, but has continued to date economically and politically in Europe; that the Treaty of Versailles was not a treaty of peace but only a military truce the provisions of which have been administered by the League of Nations; that the present eruption in Europe is the inevitable consequence of that oppressive, vindictive treaty applied by the "peace loving" victors upon the vanquished, a consequence freely predicted 20 years ago by opposing American Senators during the debate upon ratification of it.

17. It is our contention that if the people of the United States wish the economic recovery of the world, including ourselves, we should realize it cannot be accomplished through a policy of collective economic suppression of any great nation—Germany or any other.

18. We are continually told that a policy of neutrality is useless, since it did not keep us out of the World War, but we are aware that the record shows America got into that war not as an honest neutral trying to defend American shipping and commerce—the freedom of the seas—but by pretending to be neutral while demanding not only that ordinary belligerent merchantmen be not taken by their enemy but also that armed belligerent merchantmen be treated as peaceful ships. Such was the credulity and subserviency of our national authority before the threats of British imperialism.

19. So today we hereby make known to those chosen to act for us in the National Government of this representative Federal Republic, that we want no more evasion or other shameful behavior toward patronizing or bullying foreign peoples—that we do expect insistent maintenance of the vital interests of a free, independent United States through traditional American methods.

20. To these ends our strong conviction is for positive action at this session of Congress. Therefore we strongly urge that, before

adjournment, Congress make a clear and vigorous declaratory statement for the purpose of convincing foreign peoples and our own that this is in fact a self-governing Nation rather than the personal domain of the Chief Executive; so, too, for preventing foreign governments from being misled into warfare with others in the belief that they have our certain partnership.

21. Further and finally we strongly recommend and urge the immediate submission by the Senate and the House of Representatives of a resolution to amend the Constitution by State conventions, to be convened at the earliest date, in order to restore it to its original and traditional meaning relative to use of troops—a meaning that was destroyed in 1917 by the Selective Service Act. Specifically, we want the original power granted by the people to the Federal Government over conscription to be restated as limited to "execute the laws of the Union, suppress insurrection, and repel invasions," and in addition to plainly deny the power of conscription for military service outside the Territorial limits of the United States.

Our study convinces us that this action in 1917 was a defiant usurpation of power by our Central Government, not only destructive of our individual immunities and liberties but also extremely dangerous as placing too much freedom of action into the hands of any administration in its dealings with other nations. The sovereign people have never had the opportunity to approve or disapprove that violent transfer of power from themselves to their government. Such an amendment will limit foreign military service to volunteers, will let remain in the hands of the men at home the power to bring to a stop some disastrous foreign adventure, restrain imperial or personal ambitions of any President or group, and greatly tend to confine our national foreign policies to traditional defensive ones wherein we mind our own business.

The American Independence Association, an emergency group for petitioning the National Government, Carl P. Dick, chairman; Eighth Ohio Volunteer Infantry Association, War with Spain, R. A. Walkup, president; Summit County Council, Army-Navy Union, Robert Thompson, commander; German American Civic Association, Robert L. Soergel, secretary; Veterans of Foreign Wars, Joseph Wein Post, No. 288, W. W. Mathis, commander; Summit Veterans Association, Emerson C. Wolf, chairman; Summit County Horticulturist Society, W. H. Kline, president.

DEFENSE AND EXTERNAL OBLIGATIONS—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address on the subject An American View on the Question of Defense and External Obligations, delivered by Senator THOMAS of Utah before the Third Conference on Canadian-American Affairs at St. Lawrence University, Canton, N. Y., on June 21, 1939, which appears in the Appendix.]

TRIBUTES TO THE LATE DR. GRACE ABBOTT

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article from the New York Times of June 21, 1939, an editorial from the New York Times of the same date, and an editorial from the Washington Post, paying tribute to the late Dr. Grace Abbott, which appear in the Appendix.]

TRIBUTES TO THE LATE DR. GRACE ABBOTT

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an editorial from the Washington News and a statement by Miss Katherine Lenroot paying tribute to the late Dr. Grace Abbott, which appear in the Appendix.]

CREDIT AND CURRENCY MANAGEMENT AND PRICE LEVEL—ADDRESS BY CHESTER C. DAVIS

[Mr. BAILEY asked and obtained leave to have printed in the RECORD an address on the subject Credit and Currency Management and Price Level, delivered by Hon. Chester C. Davis, member, Board of Governors of the Federal Reserve System, before the twentieth annual meeting of the American Farm Bureau Federation, at New Orleans, La., on December 14, 1938, which appears in the Appendix.]

RESTRICTION OF IMMIGRATION

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by James L. Wilmeth, National Secretary of the Junior Order United American Mechanics, relative to the restriction of immigration, which appears in the Appendix.]

ADHERENCE TO POLICIES OF ROOSEVELT ADMINISTRATION—RESOLUTION OF PENNSYLVANIA DEMOCRATIC STATE COMMITTEE

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD a resolution adopted by the Pennsylvania Democratic State Committee at a meeting held in Harrisburg, Pa., on June 21, 1939, which appears in the Appendix.]

ADMISSION OF GERMAN REFUGEE CHILDREN

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a number of editorials and letters dealing with the question of German refugee children, which appear in the Appendix.]

JAPAN AND NEUTRALITY—EDITORIAL FROM WASHINGTON POST

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD an editorial from the Washington Post of today entitled "Japan and Neutrality," which appears in the Appendix.]

ORDER DISPENSING WITH CALL OF CALENDAR

The VICE PRESIDENT. Morning business is closed. The calendar under rule VIII is in order.

Mr. BARKLEY. I ask unanimous consent that the call of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

THE REVENUE

Mr. HARRISON. I move that the Senate proceed to the consideration of House bill 6851, the revenue measure.

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 6851) to provide revenue, equalize taxation, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. HARRISON. I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	La Follette	Russell
Andrews	Davis	Lee	Schwartz
Ashurst	Donahay	Logan	Schwellenbach
Austin	Ellender	Lucas	Shipstead
Bailey	Frazier	Lundeen	Slatery
Bankhead	George	McCarran	Smathers
Barbour	Gerry	McKellar	Taft
Barkley	Green	Maloney	Thomas, Okla.
Bilbo	Guffey	Mead	Tobey
Bone	Gurney	Miller	Townsend
Borah	Harrison	Minton	Tydings
Bridges	Hatch	Murray	Vandenberg
Brown	Hayden	Neely	Van Nuys
Bulow	Herring	Norris	Wagner
Burke	Hill	O'Mahoney	Walsh
Byrd	Holman	Overton	Wheeler
Byrnes	Holt	Pepper	White
Capper	Hughes	Pittman	Wiley
Chavez	Johnson, Calif.	Radcliffe	
Clark, Idaho	Johnson, Colo.	Reed	
Clark, Mo.	King	Reynolds	

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS] is detained from the Senate because of illness.

The Senator from South Carolina [Mr. SMITH] is absent because of illness in his family.

The Senator from Arkansas [Mrs. CARAWAY] and the Senator from Texas [Mr. CONNALLY] are necessarily detained.

The Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Texas [Mr. SHEPPARD], the Senator from Tennessee [Mr. STEWART], the Senator from Utah [Mr. THOMAS], and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

Mr. AUSTIN. I announce that the Senator from Oregon [Mr. McNARY] is absent because of illness, that the Senator from Massachusetts [Mr. LODGE] is absent on public business, and that the Senator from North Dakota [Mr. NYE] is absent because of a death in his family.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

Mr. HARRISON. Mr. President, I shall not delay the Senate at any length; but I feel quite sure this legislation is of such an important character that some explanation should be made of its various provisions.

We do not by this bill increase any taxes. The measure might very logically be termed "a relief measure" so far as it goes. We have not disturbed any of the provisions adopted by the House. As Senators well know, in the final vote in the House only one Member voted against the bill, and he explained his vote on the theory that the bill did not go far enough. So I might say in the beginning of the discussion that the only objection to the bill is that it does not go as far as I should like to have it go.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Michigan?

Mr. HARRISON. Yes; I yield.

Mr. VANDENBERG. Is the statement quite accurate that the bill increases no taxes? Does not the substitution of the flat tax on corporations constitute an increase in taxation in some particulars?

Mr. HARRISON. I will make an explanation of that now.

Mr. VANDENBERG. I should like to say to the Senator that I am not complaining about the substitution, because I cordially agree with the Senator regarding it; but I thought his statement was a little too broad.

Mr. HARRISON. The present law, as enacted in 1938, contains a corporate tax applicable to corporations with net incomes in excess of \$25,000, the minimum rate of which was 16½ percent, and the maximum 19 percent. The differential of 2½ percent is referred to as the remains of the undistributed-profits tax, imposing a penalty upon corporations which do not distribute their profits.

In the present law—which, as Senators will recall, greatly modified the 1936 act, which imposed a very high penalty on undistributed profits—the minimum tax of 16½ percent without the application of the undistributed-profits tax was applied to banks, insurance and trust companies, and to China Trade Act corporations. There was a very limited number of corporations to which the undistributed-profits tax did not apply, but to which the minimum corporate flat tax of 16½ percent applied. That was due to the fact that there were certain reasons, which were apparent, why banks necessarily must build up and retain certain reserves. We felt that for the stability of the banking system of our country we should not force a distribution of dividends by banks unless they had a reasonable reserve; and consequently we provided that the undistributed-profits tax would not apply to that group of corporations.

So to the extent to which the pending bill imposes a flat corporation tax of 18 percent, repealing altogether the undistributed-profits tax, there is an increase in the tax on the banks of the country from 16½ percent to 18 percent. I may add that we have given the same treatment to the China Trade Act corporations. But let me say in that connection that I have not had, and so far as I know the Committee on Finance has not received, a complaint from a bank in this country as to the treatment we are according the banks in this legislation. Prior to the enactment of the 1936 act, applying the undistributed-profits tax, banks, of course, were subject to the normal corporation tax, as all other corporations in this country were, and they should be. There is no reason why they should not have been.

In this bill we have given preferential treatment to the smaller corporations making \$25,000 and less. They are given the same treatment that is given in the present law; namely, upon the first \$5,000 of normal-tax net income a tax of 12½ percent is applied. On the next \$15,000 of normal-tax net income a tax of 14 percent is applied, and on the next \$5,000 a tax of 16 percent is applied. In this bill we have given to the smaller banks of the country, those making \$25,000 and less, the same preferential treatment that we have given to the smaller corporations, or those making less than \$25,000.

So the bill, so far as the corporate tax is concerned, now imposes a flat corporation tax of 18 percent except in the case of corporations making \$25,000 and less, and they are accorded the same treatment that is accorded to them in the present law.

A notch provision is also provided to prevent corporations from being heavily taxed by reason of having incomes slightly in excess of \$25,000. As is pointed out in the committee report, if it were not for this notch provision a corporation with an income of \$25,001 would have its tax increased over \$900 by reason of having \$1 more in taxable income.

Another important change in the law which was written in the bill as it passed the House and as it has been approved and reported by the Senate committee is the provision permitting corporations to carry over their net operating business losses for a period of 2 years. In my opinion, that is one of the most important provisions incorporated in this legislation, and one which perhaps will give more encouragement to business than any other provision, even though Senators may differ with me about the matter. I think the 2-year provision for loss carry-over is one of the very important parts of the bill. Both in the House bill and in the bill as reported by the Senate committee the 2-year loss carry-over is broadened, and is applied not only to corporations but to partnerships and to individuals as well. It was thought that if this provision should be helpful to corporations, it would likewise be helpful to partnerships and individuals; so in this legislation we have provided for a 2-year loss carry-over to all taxpayers, both corporate and individual.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. HARRISON. I yield to the Senator.

Mr. NORRIS. I wish the Senator would make plain the statement he has just made. Does the Senator mean that the loss carry-over in this bill applies to persons, corporations, and partnerships all alike?

Mr. HARRISON. As to net operating losses it does. It does not apply to capital losses.

It will be recalled that there is now a \$2,000 limitation on capital losses. We repeal the \$2,000 limitation, except that both in the House bill and in the bill as reported by the Senate committee it is provided that if a capital asset has been held less than 18 months, the loss may be applied only as against the gain from the sale of a capital asset held for not more than 18 months. However, if there is not sufficient gain to absorb such loss in that year the excess of loss over gain may be carried over into the following year. If the capital asset has been held over 18 months, the loss resulting from its sale may be applied against ordinary income. However, if there is not sufficient ordinary income in the year in which such loss occurs to absorb it completely, it may not be carried forward as is the case with short-term capital losses.

Mr. LEE. Mr. President, will the Senator yield at that point?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Oklahoma?

Mr. HARRISON. I yield.

Mr. LEE. Did I correctly understand the Senator to say that that provision of the pending bill applies to an individual's loss; that an individual, in making out his tax return, may carry over a 2-year loss?

Mr. HARRISON. Yes; it applies to individuals and to partnerships and to corporations with respect to their operating losses. I may say in that connection that that provision takes effect on January 1 of next year, when the present law goes out of existence; and the losses which are sustained this year, in 1939, may be applied as against the gains of next year.

Mr. AUSTIN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Vermont?

Mr. HARRISON. I do.

Mr. AUSTIN. I should like to inquire whether the removal of the limitation on deductions for capital losses permits taking a deduction of any amount whatever against capital gains for the period of the return.

Mr. HARRISON. If the asset is held more than 18 months.

Mr. AUSTIN. Then there is no limitation left?

Mr. HARRISON. No. In the present law, as the Senator will recall, the capital-gains provision starts in at 18 months. At 2 years it was reduced to 15 percent. We gave the same treatment to these capital losses because we want to take out of this question the speculative capital assets that may be traded on the stock exchange, and so forth.

Another important provision in the bill is the following: At first there was some consideration of repealing the capital-stock tax and the excess-profits tax. I am sure all of us would like to repeal those two taxes; but upon examination we found that we received last year from that source upward of \$170,000,000. The capital-stock tax is very small—one-tenth of 1 percent—and we have not found that it is burdensome; so we felt that the Treasury at this time could not afford the loss of \$170,000,000. The chief objection we have heard to the capital-stock tax is because, coupled with it and for the purpose of forcing the corporation to give a true declaration of stock value, we have imposed an excess-profits tax which operates at rates up to 12 percent as a penalty if the valuation is placed too low.

The Revenue Act of 1938 provided that corporations might make a new declaration of value in 1941. We provide in the proposed legislation that corporations may increase their capital-stock valuations for the fiscal years ending June 30, 1939, and June 30, 1940, but not to decrease values for those years. They can increase it next year, but not decrease it, in order to save them from having to place the valuation at such a low figure that, through a turn of good fortune or economic improvement, they might be subjected to a heavy penalty in the excess-profits tax. In the proposed legislation we are permitting a new declaration of value this year and next year, and under the law in 1941 they will have an opportunity to make a new declaration, when they can reduce the figure or increase it.

Mr. President, in the legislation last year we practically repealed, or greatly modified, the undistributed-profits tax, and we provided for undistributed-profits tax purposes a credit for amounts used or set aside to pay or retire indebtedness existing at the close of business on December 31, 1937, and evidenced by a bond, note, or certificate of indebtedness in existence as of that date.

As one of the conferees on the 1938 revenue bill, I felt, and I am sure all the Senate conferees felt likewise, that when we wrote that provision into the law, if one had an indebtedness on December 31, 1937, evidenced by a note or some other written instrument, and he should have to renew it, if he could not pay it, the renewal note should take the place of the other evidence of indebtedness, because we all know that those who have to borrow from the banks have to renew notes sometimes for 3 months or 6 months, and we felt that the renewal note would stand in place with the same old obligation owing on December 31, 1937.

The written report by the managers of the House stated that a renewal note would not be considered as an evidence of debt under the provisions of the law, and they were not safeguarded from the penalty of the undistributed-profits tax. We have taken care of that in an amendment which the Senate committee proposes, providing that if there is a renewal of an old indebtedness, it shall be accepted as an obligation such as we contemplated in writing the act of 1938.

Mr. President, I have stated the major features of the proposed legislation, but there are some administrative changes which the Treasury has recommended, and all the changes are approved by the Treasury officials. I have never seen such harmony as has been evidenced, both by the members of the Ways and Means Committee and of the House generally, and by the members of the Senate committee, as well as by Treasury officials, and I am glad to say by others in the administration in the final preparation of the proposed legislation. I wish such splendid harmony could always exist.

The administrative changes which have been approved by the Treasury and incorporated in the bill are in the interest of certainty, of clarification of some ambiguities, and of simplicity in tax administration.

If there are any questions Senators desire to ask me about any particular provision, I shall endeavor to answer. I have stated in the main the provisions of the bill.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. FRAZIER. What has been done with regard to the postage rate on books?

Mr. HARRISON. We have extended the postal rates exactly as they are in the present law. We had to do that, we felt, for revenue purposes. There is \$100,000,000 involved in the first-class postal rates. We raised the rate from 2 cents on a certain postal matter to 3 cents. One hundred million dollars annually is involved in that, and the Post Office Department recommends that the rate be continued, and we do not feel that the Treasury could afford to lose it at this time.

Mr. FRAZIER. The special rate on books is continued, too, for another year?

Mr. HARRISON. The present postage rates are all extended without change. Of course, we would have been delighted to repeal some of the miscellaneous excise taxes, such as the tax on cosmetics, and other articles, but we could not afford to do it in view of the condition of the Treasury, and the need of the Treasury for revenue. So all the excise taxes now in the law are extended for 2 years longer. Some of them will expire June 30, and others will expire July 31, this year, and they are extended for 2 years from their expiration dates.

Mr. VANDENBERG. Mr. President, has the Senator stated the estimated total revenue to be produced by the bill?

Mr. HARRISON. By the extension of the excise taxes which would expire June 30 and July 31, we will obtain about \$540,000,000 annually; from the postal rates, \$100,000,000 annually; under the corporate tax about \$1,100,000,000. The total estimated revenue is between \$1,700,000,000 and \$1,800,000,000 annually, depending upon renewed business activity.

Mr. ASHURST. According to my understanding of the bill, the able Senator has continued the excise tax on copper.

Mr. HARRISON. We have not disturbed that at all. We have extended that tax for 2 years.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. LUCAS. I have a number of letters from constituents in Illinois inquiring about the possibility of changing the revenue act, giving those who file corporate returns a longer time in which to do that. I was wondering whether or not that question was discussed before the committee of which the Senator is chairman.

Mr. HARRISON. No; that question was not discussed. The question of giving additional time for the filing of declarations of value in connection with the capital-stock tax was discussed. Did the Senator have that in mind?

Mr. LUCAS. No; I had in mind the question of the filing of the corporate returns. In other words, as I understand, they must be in not later than March 15. A number of people interested in that question have written me suggesting the possibility of the return being deferred for another 30 days.

Mr. HARRISON. While taxpayers must file the returns by March 15, on application they can get extensions for 2½ months.

Mr. LUCAS. I appreciate that.

Mr. HARRISON. But that phase was not discussed by the committee except with reference to the capital-stock value, because in reading the bill I felt that, since this is late June, and the capital-stock return ought to be made by July 3 of this year, we ought to extend the time, perhaps; but I was informed by the Treasury authorities that all the taxpayers had to do was to make application and they would be given 60 days additional in which to make the declarations of value.

Are there any further questions? If not, I suggest that we proceed to act on the amendments.

The PRESIDENT pro tempore. The clerk will state the first amendment of the committee.

The first amendment of the Committee on Finance was, under the heading "Title I—Excise Taxes and Postal Rates", on page 2, after line 10, to insert:

Sec. 3. Toilet preparations tax amendments.

(a) Section 3401 of the Internal Revenue Code (relating to the tax on toilet preparations) is amended by inserting at the end thereof the following new paragraphs:

"In the case of a sale by a manufacturer to a selling corporation of an article to which the tax under this section applies, the transaction shall be prima facie presumed to be otherwise than at arm's length if either the manufacturer or the selling corporation owns more than 75 percent of the outstanding stock of the other, or if more than 75 percent of the outstanding stock of both corporations is owned by the same persons in substantially the same proportions. Sales by a manufacturer to a selling corporation shall in all other cases be prima facie presumed to be at arm's length.

"Notwithstanding section 3441 (a), in determining, for the purpose of this section, the price for which an article is sold, whether at arm's length or not, there shall be included any charge for coverings and containers of whatever nature, only if furnished by the actual manufacturer of the article, and any charge incident to placing the article in condition packed ready for shipment, only if performed by the actual manufacturer of the article, but there shall be excluded the amount of the tax imposed by this section, whether or not stated as a separate charge. Whether sold at arm's length or not, a transportation, delivery, insurance, or other charge, and the wholesaler's salesman's commissions and costs and expenses of advertising and selling (not required by the foregoing sentence to be included), shall be excluded from the price only if the amount thereof is established to the satisfaction of the Commissioner, in accordance with the regulations."

(b) The amendments made by subsection (a) shall be effective only with respect to sales made after the date of the enactment of this act.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Income Tax Amendments", on page 30, after line 12, to insert:

(c) Determination of period for which held: Section 117 (h) of the Internal Revenue Code (relating to determination of period for which property is held) is amended by adding at the end thereof the following new paragraph:

"(5) In determining the period for which the taxpayer has held stock or rights to acquire stock received upon a distribution, if the basis of such stock or rights is determined under section 113 (a) (19) (A), there shall (under regulations prescribed by the Commissioner with the approval of the Secretary) be included the period for which he held the stock in the distributing corporation prior to the receipt of such stock or rights upon such distribution."

The amendment was agreed to.

The next amendment was, on page 31, line 1, before the word "Taxable", to strike out "(c)" and insert "(d)", and in line 2, after the word "subsections", to strike out "(a) and (b)" and insert "(a), (b), and (c)", so as to read:

(d) Taxable years to which applicable: The amendments made by subsections (a), (b), and (c) shall be applicable to taxable years beginning after December 31, 1938.

The amendment was agreed to.

The next amendment was, on page 31, line 5, before the word "Easis", to strike out "(d)" and insert "(e)", so as to read:

(e) Basis under prior acts: The following rules shall be applied, for the purposes of the Revenue Act of 1938 or any prior revenue act as if such rules were a part of each such act when it was enacted, in determining the basis of property acquired by a shareholder in a corporation which consists of stock in such corporation, or rights to acquire such stock, acquired by him after February 28, 1913, in a distribution by such corporation (hereinafter in this subsection called "new stock"), or consisting of stock in respect of which such distribution was made (hereinafter in this subsection called "old stock") if the new stock was acquired in a taxable year beginning before January 1, 1936, or acquired in a taxable year beginning after December 31, 1935, and its distribution did not constitute income to the shareholder within the meaning of the sixteenth amendment to the Constitution.

The amendment was agreed to.

The next amendment was, on page 33, after line 7, to insert:

(f) Determination under prior acts of period for which held: For the purposes of the Revenue Act of 1938 or any prior revenue act, in determining the period for which the taxpayer has held stock or rights to acquire stock, received upon a distribution, if the basis of such stock or rights is determined under section 214 (e) (1) of the Revenue Act of 1939, there shall (under regulations which shall

be prescribed by the Commissioner with the approval of the Secretary, be included the period for which he held the stock in the distributing corporation prior to the receipt of such stock or rights upon such distribution. This subsection shall be applicable as if it were a part of each such act when such act was enacted.

The amendment was agreed to.

The next amendment was, on page 34, line 7, after the word "defined", to strike out "if it is established to the satisfaction of the Commissioner" and insert:

if—
(A) it is established to the satisfaction of the Commissioner, or
(B) it is certified to the Commissioner by any Federal agency authorized to make loans on behalf of the United States to such corporation or by any Federal agency authorized to exercise regulatory power over such corporation.

So as to read:

SEC. 215. Discharge of indebtedness.

(a) Income from discharge of indebtedness: Section 22 (b) of the Internal Revenue Code (relating to exclusions from gross income) is amended by adding at the end thereof the following new paragraph:

"(9) Income from discharge of indebtedness: In the case of a corporation, the amount of any income of the taxpayer attributable to the discharge, within the taxable year, of any indebtedness of the taxpayer or for which the taxpayer is liable evidenced by a security (as hereinafter in this paragraph defined) if—

"(A) it is established to the satisfaction of the Commissioner, or
(B) it is certified to the Commissioner by any Federal agency authorized to make loans on behalf of the United States to such corporation or by any Federal agency authorized to exercise regulatory power over such corporation,

that at the time of such discharge the taxpayer was in an unsound financial condition, and if the taxpayer makes and files at the time of filing the return, in such manner as the Commissioner, with the approval of the Secretary, by regulations prescribes, its consent to the regulations prescribed under section 113 (b) (3) then in effect. In such case the amount of any income of the taxpayer attributable to any unamortized premium (computed as of the first day of the taxable year in which such discharge occurred) with respect to such indebtedness shall not be included in gross income and the amount of the deduction attributable to any unamortized discount (computed as of the first day of the taxable year in which such discharge occurred) with respect to such indebtedness shall not be allowed as a deduction. As used in this paragraph the term 'security' means any bond, debenture, note, or certificate, or other evidence of indebtedness, issued by any corporation, in existence on June 1, 1939. This paragraph shall not apply to any discharge occurring before the date of the enactment of the Revenue Act of 1939, or in a taxable year beginning after December 31, 1942."

(b) Basis reduced: Section 113 (b) of the Internal Revenue Code (relating to the adjusted basis of property) is amended by adding at the end thereof the following new paragraph:

"(3) Discharge of indebtedness: Where in the case of a corporation any amount is excluded from gross income under section 22 (b) (9) on account of the discharge of indebtedness the whole or a part of the amount so excluded from gross income shall be applied in reduction of the basis of any property held (whether before or after the time of the discharge) by the taxpayer during any portion of the taxable year in which such discharge occurred. The amount to be so applied (not in excess of the amount so excluded from gross income, reduced by the amount of any deduction disallowed under section 22 (b) (9)) and the particular properties to which the reduction shall be allocated, shall be determined under regulations (prescribed by the Commissioner with the approval of the Secretary) in effect at the time of the filing of the consent by the taxpayer referred to in section 22 (b) (9). The reduction shall be made as of the first day of the taxable year in which the discharge occurred except in the case of property not held by the taxpayer on such first day, in which case it shall take effect as of the time the holding of the taxpayer began."

(c) Taxable years to which applicable: The amendments made by this section shall be applicable to taxable years beginning after December 31, 1938.

The amendment was agreed to.

The next amendment was, on page 38, after line 20, to insert:

SEC. 218. Employees' trusts.

Section 165 of the Internal Revenue Code (relating to exemption from tax of certain trusts for the benefit of employees) is amended by inserting before the first paragraph "(a) Exemption from tax" and by inserting at the end thereof the following new subsection:

"(b) Taxable year beginning prior to January 1, 1940: The provisions of clause (2) of subsection (a) shall not apply to a taxable year beginning prior to January 1, 1940."

The amendment was agreed to.

The next amendment was, on page 39, after line 6, to insert:

SEC. 219. Inventories.

(a) Amendment to code: Section 22 (a) of the Internal Revenue Code (relating to inventories in certain industries) is amended to read as follows:

"(d) (1) A taxpayer may use the following method (whether or not such method has been prescribed under subsection (c)) in inventorying goods specified in the application required under paragraph (2).

"(A) Inventory them at cost;

"(B) Treat those remaining on hand at the close of the taxable year as being: First, those included in the opening inventory of the taxable years (in the order of acquisition) to the extent thereof, and second, those acquired in the taxable year; and

"(C) Treat those included in the opening inventory of the taxable year in which such method is first used as having been acquired at the same time and determine their cost by the average cost method.

"(2) The method described in paragraph (1) may be used—

"(A) Only in inventorying goods (required under subsection (c) to be inventoried) specified in an application to use such method filed at such time and in such manner as the Commissioner may prescribe; and

"(B) Only if the taxpayer establishes to the satisfaction of the Commissioner that the taxpayer has used no procedure other than that specified in subparagraphs (B) and (C) of paragraph (1) in inventorying (to ascertain income, profit, or loss, for credit purposes, or for the purpose of reports to shareholders, partners, or other proprietors, or to beneficiaries) such goods for any period beginning with or during the first taxable year for which the method described in paragraph (1) is to be used.

"(3) The change to, and the use of, such method shall be in accordance with such regulations as the Commissioner, with the approval of the Secretary, may prescribe as necessary in order that the use of such method may clearly reflect income.

"(4) In determining income for the taxable year preceding the taxable year for which such method is first used, the closing inventory of such preceding year of the goods specified in such application shall be at cost.

"(5) If a taxpayer, having complied with paragraph (2), uses the method described in paragraph (1) for any taxable year, then such method shall be used in all subsequent taxable years unless—

"(A) With the approval of the Commissioner a change to a different method authorized; or

"(B) The Commissioner determines that the taxpayer has used for any period beginning with or during any subsequent taxable year some procedure other than that specified in subparagraph (B) of paragraph (1) in inventorying (for ascertaining income, profit, or loss, for credit purposes, or for the purpose of reports to shareholders, partners, or other proprietors, or to beneficiaries) the goods specified in the application, and requires a change to a method different from that prescribed in paragraph (1) beginning with such subsequent taxable year or any taxable year thereafter. In either of the above cases, the change to, and the use of, the different method shall be in accordance with such regulations as the Commissioner, with the approval of the Secretary, may prescribe as necessary in order that the use of such method may clearly reflect income."

(b) Taxable years to which applicable: The amendment made by subsection (a) shall be applicable to taxable years beginning after December 31, 1938.

(c) Amendment to 1938 act: Section 22 (d) of the Revenue Act of 1938 (relating to inventories in certain industries) is amended to read as follows:

"(d) If the inventory method described in section 22 (d) (1), as amended, of the Internal Revenue Code is used for the first taxable year beginning after December 31, 1938, then, in determining income for the preceding taxable year, the closing inventory of such year of the goods specified in the application under section 22 (d) (2), as amended, of such Code shall be at cost."

The amendment was agreed to.

The next amendment was, on page 42, after line 10, to insert:

SEC. 220. Compensation for services rendered for a period of 5 years or more.

(a) The Internal Revenue Code is amended by inserting after section 106 the following new section:

"Sec. 107. Compensation for services rendered for a period of 5 years or more.

"In the case of compensation (a) received, for personal services rendered by an individual in his individual capacity, or as a member of a partnership, and covering a period of 5 calendar years or more from the beginning to the completion of such services, (b) paid only on completion of such services, and (c) required to be included in gross income of such individual for any taxable year beginning after December 31, 1938, the tax attributable to such compensation shall not be greater than the aggregate of the taxes attributable to such compensation had it been received in equal portions in each of the years included in such period."

(b) The amendment made by subsection (a) shall be applicable to taxable years beginning after December 31, 1938.

Mr. GEORGE. Mr. President, I offer an amendment to the committee amendment, in line 21, page 42, after the word "paid", to insert "(or not less than 95 percent of which is paid)."

The PRESIDENT pro tempore. Is there objection to the proposed amendment to the committee amendment?

Mr. HARRISON. There is no objection to that amendment.

The PRESIDENT pro tempore. Without objection, the amendment to the committee amendment is agreed to, and without objection the amendment as amended is agreed to.

The clerk will state the next committee amendment.

The next amendment was, on page 43, after line 5, to insert:

SEC. 221. Extension of time of orders of Securities and Exchange Commission.

(a) Section 373 (a) of the Internal Revenue Code (relating to the definition of orders of the Securities and Exchange Commission with respect to which Supplement R applies) is amended to read as follows:

"(a) The term 'order of the Securities and Exchange Commission' means an order (1) issued after May 28, 1939, and prior to January 1, 1941, by the Securities and Exchange Commission to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935 (49 Stat. 820; U. S. C., Supp. III, title 15, sec. 79 (b)), or (2) issued by the Commission subsequent to December 31, 1940, in which it is expressly stated that an order of the character specified in clause (1) is amended or supplemented, and (3) which has become final in accordance with law."

(b) The amendment made by subsection (a) shall be applicable to taxable years beginning after December 31, 1938.

The amendment was agreed to.

The next amendment was, at the top of page 44, to insert:

SEC. 222. Renewal of indebtedness.

(a) Section 27 (a) (4) of the Internal Revenue Code (relating to corporation credit for amounts used or set aside to pay indebtedness) is amended by inserting at the end thereof the following new sentence: "A renewal (however evidenced) of an indebtedness, if such indebtedness is an indebtedness within the meaning of this paragraph, shall be considered an indebtedness."

(b) The amendment made by subsection (a) shall be applicable to taxable years, beginning after December 31, 1938.

(c) Section 27 (a) (4) of the Revenue Act of 1938 (relating to corporation credit for amounts used or set aside to pay indebtedness) is amended by inserting at the end thereof the following new sentence: "A renewal (however evidenced) of an indebtedness shall be considered an indebtedness."

(d) The amendment made by subsection (c) shall be applicable to taxable years beginning after December 31, 1937.

Mr. HARRISON. Mr. President, in the committee amendment, on page 44, in lines 6 and 7, I move to strike out the words "if such indebtedness is an indebtedness within the meaning of this paragraph." The amendment to the committee amendment is suggested by the draftsman merely for the purpose of clarification.

The PRESIDENT pro tempore. Without objection, the amendment to the committee amendment is agreed to; and, without objection, the amendment as amended is agreed to.

The clerk will state the next committee amendment.

The next amendment was, on page 44, after line 19, to insert:

SEC. 223. Commodity Credit loans.

(a) The Internal Revenue Code is amended by inserting after section 121 the following new section:

"SEC. 123. Commodity Credit loans.

"(a) Amounts received as loans from the Commodity Credit Corporation shall, at the election of the taxpayer, be considered as income and shall be included in gross income for the taxable year in which received.

"(b) If a taxpayer exercises the election provided for in subsection (a) for any taxable year beginning after December 31, 1938, then the method of computing income so adopted shall be adhered to with respect to all subsequent taxable years unless with the approval of the Commissioner a change to a different method is authorized."

(b) Adjustment of basis: Section 113 (b) (1) of the Internal Revenue Code is amended by adding at the end thereof a new subparagraph reading as follows:

"(G) In the case of property pledged to the Commodity Credit Corporation, to the extent of the amount received as a loan from the Commodity Credit Corporation and treated by the taxpayer as income for the year in which received pursuant to section 49 of this chapter, and to the extent of any deficiency on such loan with respect to which the taxpayer has been relieved from liability."

(c) The amendments made by subsections (a) and (b) shall be applicable to taxable years beginning after December 31, 1938.

(d) Retroactive application: The provisions of subsection (a) shall be retroactively applied in computing income for any taxable year subject to the provisions of the Revenue Act of 1934, the Revenue Act of 1936, or the Revenue Act of 1938, or any of such acts as amended, if—

(1) The taxpayer elects in writing (in accordance with regulations prescribed by the Commissioner with the approval of the Secretary) within 1 year from the date of the enactment of this act to treat such loans as income for such year, and

(2) The records of the taxpayer are sufficient to permit an accurate computation of income for such year, and

(3) The taxpayer consents in writing to the assessment, within such period as may be agreed upon, of any deficiency for such year, even though the statutory period for the assessment of any such deficiency had expired prior to the filing of such consent.

Any tax overpaid for any such year shall be credited or refunded, subject to the statutory period of limitation properly applicable thereto.

(e) Adjustment of basis for prior years: In computing income for any taxable year subject to the provisions of the Revenue Act of 1934, the Revenue Act of 1936, or the Revenue Act of 1938, or any of such acts as amended, the basis, for determining gain or loss from the sale or other disposition of any property, pledged to the Commodity Credit Corporation as security on a loan obtained therefrom, shall be adjusted for the amount of such loan to the extent it was considered as income and included in gross income for the year in which received, and for the amount of any deficiency on such loan with respect to which the taxpayer was relieved from liability.

The amendment was agreed to.

The next amendment was, on page 47, after line 5, to insert:

SEC. 224. Charitable contributions to possessions and charities in possessions.

(a) Charitable deductions of taxpayers other than corporations: Section 23 (o) (1) and (2) of the Internal Revenue Code are amended to read as follows:

"(1) The United States, any State, Territory, or any political subdivision thereof or the District of Columbia, or any possession of the United States, for exclusively public purposes;

"(2) A corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any possession thereof or under the law of the United States or of any State or Territory or of any possession of the United States, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;"

(b) Charitable deduction of corporations: Section 23 (q) of the Internal Revenue Code is amended to read as follows:

"(q) Charitable and other contributions by corporations: In the case of a corporation, contributions or gifts payment of which is made within the taxable year to or for the use of a corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any possession thereof or under the law of the United States, or of any State or Territory, or of the District of Columbia, or of any possession of the United States, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes or for the prevention of cruelty to children (but in the case of contributions or gifts to a trust, chest, fund, or foundation, only if such contributions or gifts are to be used within the United States or any of its possessions exclusively for such purposes), no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation; to an amount which does not exceed 5 percent of the taxpayer's net income as computed without the benefit of this subsection. Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the Commissioner, with the approval of the Secretary."

The amendment was agreed to.

The next amendment was, on page 49, after line 4, to insert:

SEC. 225. Pan-American trade corporations.

The Internal Revenue Code is amended by inserting after section 151 the following new section:

"SEC. 152. Pan-American trade corporations.

"If a domestic corporation engaged in the active conduct of a trade or business within the United States (hereinafter referred to as the 'parent corporation') owns directly 100 percent of the capital stock of one or more domestic corporations each of which is engaged solely in the active conduct of a trade or business in Central or South America (hereinafter referred to as a 'Pan-American trade corporation'), such corporations (including the 'parent corporation') shall be deemed to be an affiliated group of corporations within the meaning of section 141 of this chapter, provided that the following conditions are satisfied:

"(1) At least 80 percent of the gross income for the taxable year of the parent corporation is derived from sources other than royalties, rents, dividends, interest, annuities, and gains from the sale or exchange of stock or securities; and

"(2) At least 90 percent of the gross income for the taxable year of each of the Pan-American trade corporations is derived from sources other than royalties, rents, dividends, interest, annuities, and gains from the sale or exchange of stock or securities; and

"(3) No part of the gross income for the taxable year of any of the Pan-American trade corporations is derived from sources within the United States."

The amendment was agreed to.

The next amendment was, on page 50, after line 8, to insert:

Sec. 226. Deductions of insurance companies other than life or mutual.

(a) Section 204 (c) (10) of the Internal Revenue Code is amended to read as follows:

"(10) Deductions (other than those specified in this subsection) as provided in section 23."

(b) The amendment made by subsection (a) shall be applicable to taxable years beginning after December 31, 1938.

The amendment was agreed to.

The next amendment was, on page 50, line 18, to change the section number from 218 to 227.

The amendment was agreed to.

The next amendment was, on page 51, after line 13, to insert:

Sec. 228. Computation of dividend carry-over for personal holding company tax.

(a) Section 504 (a) of the Internal Revenue Code is amended by inserting before the semicolon at the end thereof a comma and the following: "and, in the computation of the dividend carry-over for the purposes of this subchapter, the term 'adjusted net income' as used in section 27 (c) means the adjusted net income minus the deduction allowed for Federal taxes under section 505 (a) (1)."

(b) The amendment made by subsection (a) shall be applicable to taxable years beginning after December 31, 1938.

The amendment was agreed to.

The next amendment was, on page 52, line 1, after the word "Sec.", to strike out "219" and insert "229", and after line 2, to strike out "except the amendments made by sections 211, 213, 214, 215, 217, and 218, the amendments made by this title to the Internal Revenue Code shall be effective only with respect to taxable years beginning after December 31, 1939" and insert "except the amendments made by sections 211, 213, 214, 215, 217, 219, 220, 221, 222, 223, 226, 227, and 228, the amendments made by this title to the Internal Revenue Code shall be applicable only with respect to taxable years beginning after December 31, 1939," so as to read:

Sec. 229. Taxable years to which amendments applicable.

Except the amendments made by sections 211, 213, 214, 215, 217, 219, 220, 221, 222, 223, 226, 227, and 228, the amendments made by this title to the Internal Revenue Code shall be applicable only with respect to taxable years beginning after December 31, 1939.

The amendment was agreed to.

The next amendment was, under the heading "Title IV—Miscellaneous amendments," on page 54, line 10, after "(1)", to strike out "Exception in case of securities: Even though notice thereof has been filed in the manner prescribed in subsection (a), such lien shall not be valid with respect to a security, as defined in paragraph (2), as against any mortgagee, pledgee, or purchaser of such security, for an adequate and full consideration in money or money's worth, if at the time of such mortgage, pledge, or purchase such mortgagee, pledgee, or purchaser is without notice or knowledge of the existence of such lien" and insert "Even though notice of a lien provided in section 3670 has been filed in the manner prescribed in subsection (a) of this section, or notice of a lien provided in section 3186 of the Revised Statutes, as amended, has been filed in the manner prescribed in such section or subsection (a) of this section, the lien shall not be valid with respect to a security, as defined in paragraph (2) of this subsection, as against any mortgagee, pledgee, or purchaser, of such security, for an adequate and full consideration in money or money's worth, if at the time of such mortgage, pledge, or purchase such mortgagee, pledgee, or purchaser is without notice or knowledge of the existence of such lien"; and on

page 55, line 17, before the word "civil", to insert "proceeding, suit, or", so as to read:

Sec. 401. Tax liens on securities.

Section 3672 of the Internal Revenue Code is amended to read as follows:

"Sec. 3672. Validity against mortgagees, pledgees, purchasers, and judgment creditors.

"(a) Invalidity of lien without notice: Such lien shall not be valid as against any mortgagee, pledgee, purchaser, or judgment creditor until notice thereof has been filed by the collector—

"(1) Under State or Territorial laws: In accordance with the law of the State or Territory in which the property subject to the lien is situated, whenever the State or Territory has by law provided for the filing of such notice; or

"(2) With clerk of district court: In the office of the clerk of the United States district court for the judicial district in which the property subject to the lien is situated, whenever the State or Territory has not by law provided for the filing of such notice; or

"(3) With clerk of District Court of the United States for the District of Columbia: In the office of the clerk of the District Court of the United States for the District of Columbia, if the property subject to the lien is situated in the District of Columbia.

"(b) (1) Even though notice of a lien provided in section 3670 has been filed in the manner prescribed in subsection (a) of this section, or notice of a lien provided in section 3186 of the Revised Statutes, as amended, has been filed in the manner prescribed in such section or subsection (a) of this section, the lien shall not be valid with respect to a security, as defined in paragraph (2) of this subsection, as against any mortgagee, pledgee, or purchaser, of such security, for an adequate and full consideration in money or money's worth, if at the time of such mortgage, pledge, or purchase such mortgagee, pledgee, or purchaser is without notice or knowledge of the existence of such lien.

"(2) Definition of security: As used in this subsection the term 'security' means any bond, debenture, note, or certificate, or other evidence of indebtedness, issued by any corporation (including one issued by a Government or political subdivision thereof), with interest coupons or in registered form, share of stock, voting trust certificate, or any certificate of interest or participation in, certificate of deposit or receipt for, temporary or interim certificate for, or warrant or right to subscribe to or purchase, any of the foregoing; negotiable instrument; or money.

"(3) Applicability of subsection: Except where the lien has been enforced by a proceeding, suit, or civil action which has become final before the date of enactment of the Revenue Act of 1939, this subsection shall apply regardless of the time when the mortgage, pledge, or purchase was made or the lien arose."

The amendment was agreed to.

The next amendment was, on page 56, after line 9, to insert:

Sec. 403. Credits against estate tax of tax paid to possessions.

(a) Section 813 (b) of the Internal Revenue Code (relating to the 80 percent credit for estate, legacy, succession, and inheritance taxes paid) is amended by inserting after "District of Columbia," the following: "or any possession of the United States."

(b) The amendment made by subsection (a) shall be applicable only with respect to estates of decedents dying after the date of the enactment of this act.

The amendment was agreed to.

The next amendment was, on page 56, after line 19, to insert:

Sec. 404. Returns by attorneys as to foreign corporations.

Effective as of the date of the enactment of the Internal Revenue Code, section 3604 of such code is amended by striking out "Nothing in this section shall be construed to require the divulging of privileged communications between attorney and client" and inserting in lieu thereof "Nothing in this section shall be construed to require the filing by an attorney-at-law of a return with respect to any advice given or information obtained through the relationship of attorney and client."

The amendment was agreed to.

The next amendment was, on page 57, after line 5, to insert:

Sec. 405. Filing of claims for refund of amounts collected under the Agricultural Adjustment Act.

Section 903 of the Revenue Act of 1936 (relating to expiration of time for filing claims for refund of amounts paid under the Agricultural Adjustment Act) is amended by striking out "July 1, 1937" and inserting in lieu thereof "January 1, 1940."

The amendment was agreed to.

The PRESIDENT pro tempore. That concludes the committee amendments.

The bill is still before the Senate and open to further amendment.

Mr. BROWN. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Michigan will be stated.

The CHIEF CLERK. On page 57, after line 13, it is proposed to insert the following new section:

Sec. —. Insolvent banks.

(a) Section 3798 (c) of the Internal Revenue Code is amended to read as follows:

"(c) (1) Any such tax collected, whether collected before, on, or after the date of enactment of the Revenue Act of 1938, shall be deemed to be erroneously collected, and shall be refunded subject to all provisions and limitations of law, so far as applicable, relating to the refunding of taxes.

"(2) Any tax, the assessment, collection, or payment of which is barred under subsection (a) of this section, or any such tax which has been abated or remitted after May 28, 1938, shall be assessed or reassessed whenever it shall appear that payment of the tax will not diminish the assets as aforesaid.

"(3) Any tax, the assessment, collection, or payment of which is barred under subsection (b) of this section or any such tax which has been refunded after May 28, 1938, shall be assessed or reassessed after full payment of such claims of depositors to the extent of the remaining assets segregated or transferred as described in subsection (b).

"(4) The running of the statute of limitations on the making of assessment and collection shall be suspended, during, and for 90 days beyond, the period for which, pursuant to this section, assessment or collection may not be made, and a tax may be reassessed as provided in paragraphs (2) and (3) of this subsection, and collected, during the time within which, had there been no abatement, collection might have been made."

(b) The term "agent" as used in 3798 (b) of the Internal Revenue Code shall be deemed to include a corporation acting as a liquidating agent.

(c) The amendments made by this section shall be effective as of the date of enactment of the Revenue Act of 1938.

Mr. BROWN. Mr. President, the last time we revised the Revenue Code, I was instrumental in having an amendment adopted which would prevent taxation of the income on assets of a closed bank or trust company held for the purposes of paying depositors unless the depositors were paid the full amount legally due them. The amendment which was adopted does not seem to have entirely covered the result I desired to achieve. I have taken the matter up with the Treasury Department and the legislative counsel and offer an amendment which is the result of our joint labors which I understand meets with the approval of the chairman of the Finance Committee. The matter was presented to the committee in a general way and we were to prepare an amendment for consideration by the Senate.

This amendment does three things.

First, it makes clear what was originally intended, that no income tax should be levied against the income from segregated assets in the hands of liquidating trustees, reorganized banks, or similar agencies unless and until depositors were paid the full amount legally due them, and that recovery of any taxes heretofore paid might be had—in other words, that the statute was retroactive. We intended to provide and do provide that if there are earnings over and above the amount necessary to pay depositors in full, income taxes may then be levied.

Second, we make it clear that such taxes assessed or reassessed by the Department may come from one source only, that is, the segregated assets. The language formerly used permitted an interpretation by which under certain circumstances taxes might be levied against a reopened or new bank on earnings from sources other than the segregated assets. This amendment makes it certain that taxes may be levied only against earnings on the segregated assets over and above the total sum required to pay the depositors the full amount legally due them. It is our intent to permit taxes only against such assets and against no other source.

Third, we make certain that the statute applies to a corporation as well as a liquidating trustee or agent engaged in liquidating the assets of a closed bank or trust company.

Mr. HARRISON. Mr. President, the substance of the amendment offered by the Senator from Michigan was before the Committee on Finance. At that time it had not been finally drafted. The committee requested the Treasury representatives and the committee experts to get together and to draft an amendment which would be accepted on the floor. So I have no objection to the amendment, inasmuch as it is satisfactory to the Treasury. Our experts say it is satisfactory; and we believe it will afford great relief to certain banks.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. Brown].

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer an amendment which I send to the desk. I ask unanimous consent that the amendment may be printed in the RECORD without reading, inasmuch as the amendment has been before the Senate a number of times. Further, I shall explain the purpose of the amendment in the course of the brief remarks which I intend to offer in support of it.

The PRESIDENT pro tempore. Without objection, the amendment offered by the Senator from Wisconsin will be printed in the RECORD at this point without reading.

The amendment offered by Mr. LA FOLLETTE is as follows:

Amend title II by adding at the end thereof a new section to read as follows:

Sec. 221. Surtax on individuals:

(a) Section 12 (b) of the Internal Revenue Code is amended to read as follows:

"(b) Rates of surtax: There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual a surtax as follows:

"Upon a surtax net income of \$3,000 there shall be no surtax; upon surtax net incomes in excess of \$3,000 and not in excess of \$4,000, 4 percent of such excess.

"\$40 upon surtax net incomes of \$4,000; and upon surtax net incomes in excess of \$4,000 and not in excess of \$6,000, 6 percent in addition of such excess.

"\$160 upon surtax net incomes of \$6,000; and upon surtax net incomes in excess of \$6,000 and not in excess of \$8,000, 8 percent in addition of such excess.

"\$320 upon surtax net incomes of \$8,000; and upon surtax net incomes in excess of \$8,000 and not in excess of \$10,000, 10 percent in addition of such excess.

"\$520 upon surtax net incomes of \$10,000; and upon surtax net incomes in excess of \$10,000 and not in excess of \$12,000, 12 percent in addition of such excess.

"\$760 upon surtax net incomes of \$12,000; and upon surtax net incomes in excess of \$12,000 and not in excess of \$14,000, 14 percent in addition of such excess.

"\$1,040 upon surtax net incomes of \$14,000; and upon surtax net incomes in excess of \$14,000 and not in excess of \$16,000, 16 percent in addition of such excess.

"\$1,360 upon surtax net incomes of \$16,000; and upon surtax net incomes in excess of \$16,000 and not in excess of \$18,000, 18 percent in addition of such excess.

"\$1,720 upon surtax net incomes of \$18,000; and upon surtax net incomes in excess of \$18,000 and not in excess of \$20,000, 20 percent in addition of such excess.

"\$2,120 upon surtax net incomes of \$20,000; and upon surtax net incomes in excess of \$20,000 and not in excess of \$22,000, 22 percent in addition of such excess.

"\$2,560 upon surtax net incomes of \$22,000; and upon surtax net incomes in excess of \$22,000 and not in excess of \$26,000, 24 percent in addition of such excess.

"\$3,520 upon surtax net incomes of \$26,000; and upon surtax net incomes in excess of \$26,000 and not in excess of \$32,000, 27 percent in addition of such excess.

"\$5,140 upon surtax net incomes of \$32,000; and upon surtax net incomes in excess of \$32,000 and not in excess of \$38,000, 30 percent in addition of such excess.

"\$6,940 upon surtax net incomes of \$38,000; and upon surtax net incomes in excess of \$38,000 and not in excess of \$44,000, 33 percent in addition of such excess.

"\$8,920 upon surtax net incomes of \$44,000; and upon surtax net incomes in excess of \$44,000 and not in excess of \$50,000, 36 percent in addition of such excess.

"\$11,080 upon surtax net incomes of \$50,000; and upon surtax net incomes in excess of \$50,000 and not in excess of \$60,000, 40 percent in addition of such excess.

"\$15,080 upon surtax net incomes of \$60,000; and upon surtax net incomes in excess of \$60,000 and not in excess of \$70,000, 44 percent in addition of such excess.

"\$19,480 upon surtax net incomes of \$70,000; and upon surtax net incomes in excess of \$70,000 and not in excess of \$80,000, 48 percent in addition of such excess.

"\$24,280 upon surtax net incomes of \$80,000; and upon surtax net incomes in excess of \$80,000 and not in excess of \$90,000, 52 percent in addition of such excess.

"\$29,480 upon surtax net incomes of \$90,000; and upon surtax net incomes in excess of \$90,000 and not in excess of \$100,000, 56 percent in addition of such excess.

"\$35,080 upon surtax net incomes of \$100,000; and upon surtax net incomes in excess of \$100,000 and not in excess of \$150,000, 58 percent in addition of such excess.

"\$64,080 upon surtax net incomes of \$150,000; and upon surtax net incomes in excess of \$150,000 and not in excess of \$200,000, 60 percent in addition of such excess.

"\$94,080 upon surtax net incomes of \$200,000; and upon surtax net incomes in excess of \$200,000 and not in excess of \$250,000, 62 percent in addition of such excess.

"\$125,080 upon surtax net incomes of \$250,000; and upon surtax net incomes in excess of \$250,000 and not in excess of \$300,000, 64 percent in addition of such excess.

"\$157,080 upon surtax net incomes of \$300,000; and upon surtax net incomes in excess of \$300,000 and not in excess of \$400,000, 66 percent in addition of such excess.

"\$223,080 upon surtax net incomes of \$400,000; and upon surtax net incomes in excess of \$400,000 and not in excess of \$500,000, 68 percent in addition of such excess.

"\$291,080 upon surtax net incomes of \$500,000; and upon surtax net incomes in excess of \$500,000 and not in excess of \$750,000, 70 percent in addition of such excess.

"\$468,080 upon surtax net incomes of \$750,000; and upon surtax net incomes in excess of \$750,000 and not in excess of \$1,000,000, 72 percent in addition of such excess.

"\$646,080 upon surtax net incomes of \$1,000,000; and upon surtax net incomes in excess of \$1,000,000 and not in excess of \$2,000,000, 73 percent in addition of such excess.

"\$1,376,080 upon surtax net incomes of \$2,000,000; and upon surtax net incomes in excess of \$2,000,000 and not in excess of \$5,000,000, 74 percent in addition of such excess.

"\$3,596,080 upon surtax net incomes of \$5,000,000; and upon surtax net incomes in excess of \$5,000,000, 75 percent in addition of such excess."

(b) The provisions of this section shall apply only to taxable years beginning after December 31, 1938.

Mr. LA FOLLETTE. Mr. President, since I became a Member of this body I have been an ardent and insistent advocate of taxes levied in accordance with the ability of the taxpayer to carry the burden. Beginning with 1934, when the country was in the midst of an economic crisis which has been prolonged, I began offering amendments to the individual income-tax schedules in an effort to levy taxes in accordance with ability to pay. Despite the fact that in the Senate there have been other ardent advocates of taxation in accordance with ability to pay, I think it must be said that, beginning with the first income-tax law of 1916, and coming down to this hour, we have made tragically little progress in placing the burden of taxes in accordance with the ability to pay, for even now, Mr. President, under the existing law, approximately 60 percent of the taxes collected by the Federal Government are collected in the form of excise or hidden taxes, which violate the principle of ability to pay, since they fall upon the taxpayer without regard to his ability to meet the burden.

As I have stated, Mr. President, these amendments have been considered since 1934. Beginning in 1934, I offered similar amendments. I offered them again in 1935, again in 1936, again in 1937, and again in 1938. So I do not propose today to take the time of the Senate to go into a lengthy discussion of the merits of these amendments, as I see them. I merely desire to reemphasize what I have said upon every occasion when a revenue measure has been pending since the inception of the economic crisis, that it is essential that the Federal Government levy taxes in order that it may meet the extraordinary expenditures which it is making, and in order that it may, in the end, protect the credit of the Government of the United States, for in the post-war history of the world we know that every industrial country confronted by the problems of modern industrialism has ultimately reached the cross road where it must choose between uncontrolled inflation and the hard road of taxation. Because I firmly believe in the democratic process, because I want to see it preserved for posterity, I believe that the time has come, Mr. President, when the Congress must choose. If we fail, year after year, to increase taxes and at the same time continue deficit financing, it is clear that we shall reach that cross road, and, unless we discharge our responsibility, we shall experience the same disastrous consequences which have been suffered in other countries.

Mr. President, it will be said that this is not the time to levy these taxes. I have heard that argument each and every year since 1934. Upon the theory, which, I suppose is held by some Senators, that the economic crisis was temporary and transitory in character, they have declined to support these amendments. Now, after 5 long years, it does seem to me that the time has come when we should face our responsibilities and have the courage to increase taxation.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Michigan.

Mr. VANDENBERG. The Senator knows that I have consistently supported him year by year in his taxation program.

Mr. LA FOLLETTE. Yes; the Senator from Michigan has done so, and I have welcomed his support.

Mr. VANDENBERG. I want to suggest to the Senator the only misgiving I have in connection with the matter at the present time, because I should like to hear what the Senator has to say about it. It seems to me the Senator's contribution to increased taxation produces such a comparatively small sum as related to the speed with which we are widening the deficit gap that it is almost "love's labor lost," and that it is almost a futile waste of an ultimate device which might be more effectively embraced at a time when there is a corollary purpose to try to save at the expenditure end as well as to balance the Budget by increased taxation. What has the Senator to say about that?

Mr. LA FOLLETTE. Mr. President, of course, as the Senator well knows, the amount of revenue which these amendments, if agreed to, would yield would depend upon the total national income. As I recall, however, according to the estimate made in 1937, had the exemption amendment as well as the pending surtax amendment been agreed to, upon the basis of the then Budget estimate we would have been within \$60,000,000 of a balanced Budget.

I am no prophet; I cannot predict the course of economic activity nor the amount of national income which will be realized in the coming year; but I do say, Mr. President, that if we have the courage to begin to increase taxes, we shall have shown to the country that we are proposing to bring expenditures and taxes somewhere within shouting distance of each other, and, should we be so fortunate as to experience a rise in economic activity in 1939 equivalent to that which took place in 1937, this amendment would produce \$226,200,000 of revenue. But the Treasury obviously does not anticipate such activity, for its estimate of the increased revenue in 1939 is \$182,900,000.

Mr. VANDENBERG and Mr. MALONEY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. LA FOLLETTE. I yield first to the Senator from Michigan.

Mr. VANDENBERG. May I add that, aside from the mathematics, I think the Senator could stress another point in defense of his position. I think one of the most dangerous things in America is the popular psychology which seems to contemplate any money out of Washington as coming off a Christmas tree and never having to be accounted for or repaid. I doubt whether that sad and tragic and calamitous illusion will ever be completely dispelled until Government deficits be written into a tax bill which the average citizen has to pay.

Mr. LA FOLLETTE. I think there is much in what the Senator says; and, furthermore, I may say to the Senator that, so far as I am concerned, I would be willing to go further than this surtax amendment proposes to go; but having as yet been unable, except upon one occasion, when there was a certain amount of absenteeism across the aisle, to get a majority of the Senate to adopt a similar amendment, I would fear that I was butting my head against a stone wall if I were to offer an amendment which was more drastic in character than the one now pending. But I say, Mr. President, to the Senator from Michigan that the time to begin is now; that we should now take this important step and thus indicate to the country that we are determined to increase the revenue.

I now yield to the Senator from Connecticut.

Mr. MALONEY. I know that the Senator from Wisconsin is aware that I—like the Senator from Michigan—have consistently supported his proposal.

Mr. LA FOLLETTE. I do.

Mr. MALONEY. I do not know that the Senator from Wisconsin wants to use my suggestion in answering the Senator from Michigan, but it seems to me that it might

profitably be said that, although his proposals would not raise, comparatively, a large amount of money, it would give notice, effective notice by way of a tax bill, to the people of small but steady income that they must share the responsibility of government.

I have consistently voted for relief appropriations, for I believe we need to make those expenditures if we are to avoid chaos, and I think it may be said with force that the taxes proposed by the Senator from Wisconsin would make more people tax conscious and ultimately do good in the direction of enforcing the need of economy. We cannot at the moment drastically slash relief appropriations, but there are places where much money could be saved. I will explain my feeling a little more fully when I obtain the floor in my own right.

Mr. LA FOLLETTE. I agree with the Senator that in theory every citizen should pay taxes to the Federal Government, in order that he may be aware of the fact that he is a citizen of the Federal Government as well as of his State and locality, and that he has a responsibility for the maintenance of the Federal Government. However, I do not believe in carrying that theory to the absurd point where it would cost more to collect the revenue than the tax would yield. I think, however, Mr. President, that this amendment ought to appeal to all points of view in the Senate. It seems to me that it should appeal to the point of view especially of those who have maintained that it was essential that the Government should increase its revenue in order to bring the Budget more nearly into balance and in order that it should indicate to the country that the policy of the Government was to increase revenue in the face of present extraordinary expenditures. Likewise, it seems to me, it should appeal to those Senators who are particularly interested in some of the social objectives which have been sought to be attained under the present administration; for in the last analysis, Mr. President, when we come to the root of each one of these social problems, the question of whether or not we can meet these problems is a question of what, for want of a better term, I call social finance. "Where is the money coming from?" is the question we must face in regard to unemployment relief, in regard to social security, in regard to all the questions that touch upon social problems.

Now, Mr. President, I desire to point out that in the present session of Congress particularly, although the increased appropriations for national defense have been manifest in previous Congresses, there has been a very substantial increase in the appropriations for national defense. I have supported every one of them with the exception of the naval bill, and I voted against that measure primarily because I felt that it launched this country on the program of building 45,000-ton battleships, which I thought was unjustified. But whatever may be said in justification for other governmental expenditures—and I think much may be said for many of them, in that they do produce real wealth and increase the real wealth of the country—it certainly must be admitted by the most casual student that expenditures for national defense are uneconomic in character. They produce no wealth. Therefore, in contemplating a proposal for national defense which will probably, including the maintenance of the Army and the Navy, total \$2,000,000,000 in this particular session of Congress, I think there is a compelling argument in favor of increasing taxation to meet, at least in part, these uneconomic, non-wealth-producing expenditures in the form of appropriations for national defense and armaments.

Mr. President, I desire now to speak briefly upon the amendment itself, in order that Senators may have some understanding of what it provides. Because comparisons of rates are difficult to follow, I desire to refer to the effect of the amendment, were it adopted, upon a married person with no dependents. I shall make my comparison between the existing law, the pending amendment, and the tax which a similarly situated taxpayer would pay if he lived in Great Britain.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BROWN in the chair). Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I yield.

Mr. KING. I was looking at the two amendments handed me by the clerk, and I fail to perceive any provision lowering the exemptions. I assumed that one of the amendments offered by the Senator would lower the exemptions.

Mr. LA FOLLETTE. I have an amendment, which I intend to offer, which deals with the exemptions.

Mr. KING. These two amendments, then, do not?

Mr. LA FOLLETTE. They do not. These are surtax amendments.

Mr. President, I ask unanimous consent to insert in the Record at this point in my remarks a table relating to these amendments.

There being no objection, the table was ordered to be printed in the Record, as follows:

Income tax, individual—Comparison of total tax payable on specimen net income by a married person without dependents and entitled to the maximum earned-income allowance under existing United States and British laws and La Follette plans

Net income	Existing law	Plan No. 1 ¹	Plan No. 2 ²	Plan No. 3 ³	Plan No. 4 ⁴	Great Britain 1939
\$1,000	0	0	0	0	0	0
\$1,500	0	0	0	0	0	\$25.00
\$2,000	0	0	0	0	0	63.12
\$2,500	0	\$10	0	\$5	\$5	173.12
\$3,000	\$8	28	\$8	18	18	283.12
\$4,000	44	64	44	54	54	503.12
\$5,000	80	100	80	90	90	723.12
\$6,000	116	176	136	166	136	943.12
\$7,000	172	272	222	262	202	1,163.12
\$8,000	248	368	318	358	278	1,410.62
\$10,000	415	600	540	590	470	1,960.62
\$12,000	602	872	802	862	702	2,635.62
\$14,000	809	1,184	1,104	1,174	974	3,312.19
\$16,000	1,044	1,544	1,454	1,534	1,294	4,019.06
\$18,000	1,299	1,944	1,844	1,934	1,654	4,829.06
\$20,000	1,589	2,384	2,274	2,374	2,054	5,609.06
\$25,000	2,489	3,664	3,524	3,654	3,234	7,846.56
\$30,000	3,569	5,124	4,969	5,114	4,594	10,227.81
\$40,000	5,979	8,404	8,234	8,394	7,674	15,277.81
\$50,000	8,869	12,224	12,024	12,214	11,334	21,027.81
\$60,000	12,329	16,544	16,324	16,334	15,414	27,077.81
\$70,000	16,449	21,264	21,024	21,254	19,934	33,127.81
\$80,000	21,269	26,384	26,124	26,374	24,854	39,327.81
\$100,000	32,469	37,824	37,524	37,814	35,894	52,027.81
\$150,000	63,304	68,784	68,474	68,774	65,854	85,277.81
\$200,000	95,344	100,744	100,424	100,734	96,814	120,027.81
\$300,000	162,244	167,664	167,324	167,654	161,734	191,027.81
\$500,000	304,144	309,584	309,224	309,574	299,654	336,027.81
\$1,000,000	679,044	684,504	684,124	684,494	664,574	698,527.81
\$2,000,000	1,449,019	1,454,484	1,454,099	1,454,474	1,424,534	1,423,527.81
\$5,000,000	3,788,994	3,794,464	3,794,074	3,794,454	3,764,494	3,568,527.81
\$10,000,000	7,738,969	7,744,444	7,744,049	7,744,434	7,714,474	7,223,527.81
\$20,000,000	15,638,969	15,644,444	15,644,049	15,644,434	15,614,474	14,473,527.81

¹ New surtax schedule, applying to surtax net incomes in excess of \$3,000 (see attached amendment); personal exemptions reduced \$500 for married persons and \$200 for single persons.

² Same surtax schedule as in plan No. 1; personal exemptions as in existing law.

³ Same surtax schedule and personal exemptions as in plan No. 1; normal tax rates are 2 percent on the exemption reduction and 4 percent on the balance.

⁴ Same personal exemptions and normal tax rates as in plan No. 3; new surtax schedule, applying to net incomes in excess of \$4,000. (See attached amendment.)

Mr. LA FOLLETTE. Mr. President, let me point out that a married person with no dependents would have to have \$6,000 of taxable income before the pending amendment would increase his taxes over the existing law; and yet a similarly situated taxpayer in Great Britain with an income of \$1,500 would begin by paying a tax of \$25.

At the point of \$6,000 of income for a married person with no dependents, under existing law such a taxpayer would pay \$116. Under this amendment he would pay \$136, or an increase of \$20 for a married person with no dependents who had \$6,000 of net income; and yet in Great Britain such a taxpayer would have to pay in taxes \$943.12—1939 finance bill.

A married person with no dependents, with \$10,000 of net income, under existing law would pay \$415. Under the pending amendment he would pay \$540. Under the 1939 law in Great Britain he would pay \$1,960.62.

A married person with no dependents, with \$30,000 of net income, under existing law would pay \$3,569. Under this

amendment he would pay \$4,969. In Great Britain he would pay \$10,227.81.

Mr. President, in the course of enacting revenue legislation during this economic crisis the Congress has seen fit to increase the individual income tax on persons who have \$50,000 of net income and above. I, for one, never have been able to see the justice of increasing the taxes upon persons with incomes of \$50,000 and above, and at the same time not asking taxpayers whose incomes are in the brackets below \$50,000 to make contributions in proportion to their ability to pay to meet the exigencies of the fiscal problems confronting our Government. In fact, I believe that our failure to make the tax increase more uniform in the surtax brackets, our failure to go below \$50,000, has led many taxpayers in the other brackets to believe that the taxes were levied with a punitive objective rather than with an objective of obtaining revenue to meet the situation that confronts us. I personally believe that what appears to be a more wide acceptance of the burdens imposed by the heavy taxes levied in Great Britain is due to the fact that the taxpayer at the top of the income-tax brackets knows that taxpayers all the way down the line are carrying their full and their fair share of the burdens which are imposed by government.

Mr. President, it may be said that these amendments were not considered by the Finance Committee. That is true. The Finance Committee was too quick on its feet to enable me to offer the amendments. I offer no criticism in that statement. None is implied or intended. But over the last week end I returned to Wisconsin for the first time since January to attend the fourteenth annual ceremony which has been held at my father's grave since his death, and it never occurred to me that the Finance Committee could take the important provisions which are contained in this revenue bill and dispose of them without hearings and with such celerity. In case, however, any suggestion may be made that the amendments have not had the consideration of the Finance Committee, I desire to anticipate it with a few brief remarks.

First, amendments identical with these have been considered by the Finance Committee during the past several years. I have had a rather interesting experience with them in the Finance Committee. I have seen them voted in, and then I have seen reconsideration had and have seen them voted out again. So I do not think it can be said that the amendments have not had careful consideration by the Finance Committee.

Furthermore, they are amendments to the individual income-tax rates, and therefore are not complicated in character. The entire question involved is whether or not Senators believe in the principle and the policy which the amendments embody.

I know, too, it will be said there is great need to rush this bill because the excise taxes expire on a certain date. I make no complaint about it, but I wish the Record to show that that is the position in which we in the Senate have found ourselves nearly every time legislation of this kind has come up for consideration. Far be it from me to criticize the policy of the committees, or of the body at the other end of the Capitol, but the fact remains that we usually get tax bills at times when our genial and affable, but very efficient chairman is in a position to say, "We must get this legislation through," and "This is not the time to consider proposals which are not contained in the bill and which have not been considered by the House of Representatives."

Mr. President, I claim, and I think none will dispute the statement, that the Senate has an equal responsibility with the House of Representatives in shaping revenue legislation and fiscal policies, even though the Constitution provides that measures touching upon that subject must originate in the House of Representatives.

As I see it, it is just as much a responsibility of every Senator to shape fiscal policy as it is a responsibility of a Member of the House of Representatives.

Let me emphasize that if the pending amendment should be adopted every member of the conference committee repre-

senting the House would have to give it only 3 or 4 minutes of study in order to understand what is contained in the amendment, what its objectives are, and what in the end the results would be. In case the House conferees should take the position that the amendment had not been given consideration by the House, it would be a simple matter to take the amendment back to the floor of the House and give the House of Representatives an opportunity to pass on these proposals.

Mr. President, I think that the crisis confronting this country is one more serious than war. I think the consequences to this generation and to on-coming generations of our failure to seize our opportunity to cope with the problems of this economic crisis will be more serious than the loss of any war in which this Nation has thus far been engaged since the Republic was established.

There are in our country upward of 11,000,000 persons out of work in this year 1939—almost 10 years since the onset of the economic crisis. Nature has already served notice upon us that, unless we meet her challenge, on-coming generations will charge us with frittering away our most precious asset, namely, our natural resources. Recurring drought and floods warn us that we need to plant a hundred million acres of trees and build countless dams to turn floodwaters from their work of destruction to the creation of new wealth. Dust storms which blow precious topsoil from the Great Plains into our metropolitan cities, sometimes even as far removed as the Atlantic seaboard, serve as a reminder that we must act promptly if we are to preserve the fertility of our soil. In the last analysis, the standard of living upon which any generation's standard is predicated is the natural resource base. Unless we check the profligate waste of resources our civilization will in the years to come ultimately go the way of all civilizations since the dawn of written history which have been profligate and which have wasted their natural resources.

As I see it, only the Federal Government can adequately cope with this momentous problem, and only by Federal taxes, in large measure, can the problem be met, and only by a just and equitable top structure will it be solved.

As I have previously stated in the course of my remarks—and I desire to reiterate it, because I am so firmly convinced of its soundness—every large industrial country in the world has come to the cross road in this post-war economic crisis, where it had to choose between taking the way toward uncontrolled inflation, or choosing the courageous but the hard and difficult way of increased taxation to maintain Government credit.

Mr. President, we have reached the point where we must ascertain whether those who give lip service to our social, economic, and political institutions in the United States are ready, under an equitable system of taxation, to meet their share of the cost of maintaining those precious institutions. We must find out whether those who have a stake in saving our system are willing to contribute to Government, through accredited income and estate taxes, the money necessary to meet the problems of modern industrialism.

Mr. President, I should like to have a record vote upon the amendment when the time comes to vote upon it. If I can answer any questions, I shall be glad to do so. If not, I shall take my seat.

Mr. MALONEY. Mr. President, I shall not long delay the vote, but heretofore, when these amendments of the Senator from Wisconsin have been offered, I have spoken briefly to express the hope that they would be adopted.

We are again about to consider a large relief bill, and the expenditure of a considerable amount of money for relief work. Because I am among those who favor reasonably large appropriations for the W. P. A. and the P. W. A., and because I have not been hesitant about casting my vote for these proposals for good people who are seriously in need and are denied private employment, I desire to associate myself with the splendid description of the existing situation made by the Senator from Wisconsin.

If we are to appropriate money to provide for and protect and continue the governmental and social institutions, to

which the Senator from Wisconsin has referred, we must be ready now, or in a very little while, to raise money to pay for them. That is one of the reasons why I shall vote for the amendment of the Senator from Wisconsin. A second reason is my feeling that by rejecting it we are not entirely keeping faith with ourselves. In the United States we insist that ours is a policy of taxing people in accordance with their ability to pay. As has been so well pointed out by the Senator from Wisconsin, we have not fully recognized the responsibility of the large tax-paying group earning from \$3,000 to \$50,000 a year. Taxes have not been laid on that group in accordance with the national need and the ability to pay.

We cannot long ignore this situation. We cannot, in justice to ourselves and in justice to the country, continue to make things easier for a large group of our taxpayers who are especially able to pay.

It has been pointed out on the floor this morning, and readily admitted by the Senator from Wisconsin, that this amendment would not result in raising a tremendous amount of money, but it seems to me that it might very easily save a very large amount of money. During these hectic and bewildering days Congress time and time again passes measures providing for the expenditure of a hundred million or two hundred million dollars as though those sums were inconsequential. The people of the country are not paying serious attention to these comparatively small appropriations and expenditures. But if we broaden the tax base, if we call seriously to the attention of the people of the country the fact that it is a burden which they are bearing, that they are paying the cost of the expenditures which are being made, we will one day get back on the path to national economy and in the direction of balancing the Federal Budget.

Mr. President, I for myself am not anxious to balance the Budget at the expense of those who are described as the unemployed. I shall continue to vote for sufficient appropriations to give them work and to keep them from the terrifying stigma of the dole. But I am willing and anxious to accept the other part of the responsibility which goes with the high office of Senator and vote for increased taxes. I hope, with the Senator from Wisconsin, that there will be a record vote and that his proposal will prevail.

Mr. TAFT obtained the floor.

Mr. TYDINGS. Mr. President, will the Senator from Ohio yield so that I may ask the Senator from Wisconsin a question?

Mr. TAFT. Certainly.

Mr. TYDINGS. Will the Senator from Wisconsin state the amount that would be raised by the other amendment which he proposes to offer?

Mr. LA FOLLETTE. I shall be glad to. As stated during my remarks, the pending amendment is estimated by the Treasury to yield \$182,900,000 in the calendar year 1939. The exemption amendment, which I shall offer after the pending amendment has been disposed of, is estimated to yield in 1939 the sum of \$54,200,000.

Mr. TYDINGS. Two hundred and thirty or two hundred and forty million dollars altogether?

Mr. LA FOLLETTE. Yes.

Mr. TYDINGS. The exemption amendment which the Senator proposes to offer would carry the exemptions down how low?

Mr. LA FOLLETTE. It proposes an exemption of \$2,000 for a married person, instead of \$2,500, and \$800 for a single person, instead of \$1,000, and raises the age limit of dependent children from 18 to 20 years, so as to give persons a longer deduction for dependents, on the theory that it will help them to educate their children.

Mr. TYDINGS. What is the exemption per child, the same as at present?

Mr. LA FOLLETTE. The same as under the present law.

Mr. TYDINGS. So that the net reduction in the case of single persons would be from \$1,000 to \$800, and in the case of married persons from \$2,500 to \$2,000?

Mr. LA FOLLETTE. That is correct.

Mr. TYDINGS. And the exemption for children would remain the same?

Mr. LA FOLLETTE. It would remain the same. But the age limit would be increased, so the taxpayer could claim exemption for dependent children up to 20 years of age instead of up to 18 years of age, as at present.

Mr. TYDINGS. To what extent would the Senator's amendment, with which I shall try to familiarize myself when I have an opportunity, increase the present rates, say, on incomes of \$5,000, \$4,000, and \$3,000?

Mr. LA FOLLETTE. Does the Senator mean the pending amendment?

Mr. TYDINGS. The one the Senator proposes to offer touching exemptions. Does the Senator's amendment leave the rates the same?

Mr. LA FOLLETTE. Yes; there would be no change in rates. Only the normal tax would apply, because we do not now begin taxing surtax incomes until the income amounts to \$4,000. Under the proposed amendment that would be \$3,000, so that persons brought within the purview of the income-tax law by the exemption amendment, or any of those affected by it, would have only the normal tax applied to them.

Mr. TYDINGS. I appreciate that. But the Senator a year or two ago, and several times in recent years, offered an amendment dealing primarily with normal rather than surtax rates.

Mr. LA FOLLETTE. Yes.

Mr. TYDINGS. Is this the same amendment?

Mr. LA FOLLETTE. Heretofore I have offered an amendment to increase the normal tax from 4 percent to 6 percent, but I received so little support for the amendment that I did not believe I would offer it at this time.

Mr. TYDINGS. I am sorry the Senator is not offering his original amendment, not that I am criticizing the new one, but I think the original amendment had more merit in it, taking into consideration the whole picture, than as it has been modified.

Mr. LA FOLLETTE. The exemption amendment has been voted down so many times I did not believe there was any possibility of receiving favorable action on both the exemption amendment and an amendment providing for increase in the normal tax from 4 percent to 6 percent, because apparently many Senators believe that a married person with no dependents, who has \$2,500 of net income, should not pay \$20 tax, which is all he would be required to pay under the exemption amendment.

I thank the Senator from Ohio for yielding.

Mr. TAFT. Mr. President, I wish to say a word as to the amendment of the Senator from Wisconsin proposing to increase the surtax. I am in favor of it, and I intend to vote for it. It would provide some increase in revenue. It would do something toward balancing the Budget. However, I think that I could not vote for it without expressing the opinion that the revenue derived from it would be merely a drop in the bucket, and that, in my opinion, the only way to balance the Budget is to reduce expenses.

When it comes to the amendment which proposes to reduce exemptions, I do not think I can vote for it for the reason that, in my opinion, the tax burden borne today by people with incomes of \$2,500 and less is excessive in comparison to their ability to pay. So far as I can figure, a man with an income of \$2,500 today pays nearly 15 percent of that income in taxes of some kind.

The Senator's amendment does not assure him of relief from the consumption taxes, which are so exceedingly heavy, even those which are paid to the Federal Government. It certainly cannot assure him of being relieved of the tremendous burden of local and State taxation which falls with almost equal weight on him. He pays the real-estate tax. He pays the sales taxes in the States, and most of the local taxes, which are half the total taxes he pays. So it seems to me that if we were to agree to the Senator's amendment we would simply be increasing the tax of the

man with a \$2,500 income when he already pays too much in the form of taxes.

The Senator from Connecticut [Mr. MALONEY] has presented what is to me an extraordinary theory. It is a plausible one, but certainly it seems extraordinary that we should bring home to the citizens the fact that they are actually paying taxes in order that they may induce us to economize. If we want to economize we can economize. That is our function. It is not our function to produce a pressure group to work on us in the effort to bring about economy in the expenditures of the Government.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MALONEY. I am in sympathy with what the Senator from Ohio has just said about persons with small income paying more than their share of the taxes, but let me point out to the Senator—and ask him to think more seriously about it—that the people of this country do not become tax conscious until they receive tax bills. There has not been a real demand for economy in the United States. There has been a demand for economy in every instance except in that one in which the individual himself was concerned. The people do not know that they are paying terrific taxes on cigarettes, and gasoline, and that they are paying other and numerous terribly burdensome taxes.

Mr. TAFT. If I may answer that question, I will say that the people in Ohio know every time they buy anything that they pay 3 cents in tax. They know that every time they buy a package of cigarettes they pay 6 cents in tax. According to the Gallup poll, published yesterday, it was found that 25 percent of the people do not know that they were paying taxes, but the other 75 certainly do know that they are paying taxes.

Mr. MALONEY. I think the Senator is sufficiently a realist to know that, while the average family in this country may pay \$10 a year or more in cigarette taxes, if the individual or the family were sent a bill for \$10 and were told it was for cigarette taxes, there would be a tax rebellion. If we bring home to the people those about whom the Senator is speaking the fact that they are bearing this burden, they will demand relief from the indirect and hidden taxes.

Mr. TAFT. I myself do not need to have that demand made upon me. I am in favor of economizing now, and I think we can do that without pressure from the people back home if we want to do it.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LA FOLLETTE. Mr. President, I prefer to debate the exemption amendment after the pending amendment shall have been disposed of. However, in view of all the extraordinary expenditures which have been made to meet the problems which are confronting individuals and families all over the United States, I wish to ask the Senator from Ohio if he believes that in this year of the crisis it is unreasonable to require a married man with no dependents who has \$2,500 of net income to pay \$20 to the Federal Government as his share of the contribution in meeting the problems which the Government has endeavored to meet; and whether in the case of a single person with no dependents who has \$1,000 of net income \$8 a year of taxes is an excessive contribution to request from him in these times?

Mr. TAFT. My own estimate is that a person with a \$2,500 income is already paying the Federal Government something over \$100 in excise taxes today, on an average, besides at least another \$100 for State and local purposes. While, of course, a \$10 tax is not excessive, I wish the Senator could give me assurance that he is substituting his proposed tax for some of the excise taxes we are continuing. I think the Senator's idea of a tax system is correct. I think we ought to get as large a part of our Government income as we possibly can from income taxes, and when we do that I think we ought to reduce the exemption even lower than the Senator is proposing.

I only say that the Senator is imposing an income tax but he is not doing anything to relieve the taxpayer from all the additional taxes he is already paying.

Mr. LA FOLLETTE. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. LA FOLLETTE. Of course it is my fervent hope that I will live to see the day when all the taxes collected by the Federal Government are based on the principle of ability to pay. It is likewise my firm conviction that if we can establish the continuity of yield and the stability of the income-tax system by broadening the base, we shall then be just that much closer to helping to eliminate hidden taxes.

I have not on any occasion, when I have offered these amendments, proposed to substitute them for the excise taxes. Not that I am not unalterably opposed to the excise taxes in principle, but, because of the revenue and fiscal situation confronting the Government, it is my conviction that at this time we cannot afford to make a substitute for those taxes. I think we should take this step, and thus be prepared, when we are in a position to do so, to eliminate the hidden or excise taxes.

Mr. TAFT. Mr. President, in conclusion I merely wish to say that it seems to me that the ultimate solution can only come through a reduction in taxes. I do not think anyone can devise a tax system in the United States which will raise \$10,000,000,000 a year for the Federal Government, with any reasonable hope that it will be equitable to everyone or that everyone will stand for it. So ultimately, while I am in favor of raising taxes, particularly on the group between \$2,500 and \$50,000, which the Senator proposes, I feel that it in no way solves the problem, and that the only solution of this problem ultimately is a reduction of Government expenses rather than further increases in taxes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin.

Mr. HARRISON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Logan	Schwartz
Andrews	Frazier	Lucas	Schwellenbach
Ashurst	George	Lundeen	Shipstead
Austin	Gerry	McCarran	Slattery
Bailey	Green	McKellar	Smathers
Bankhead	Guffey	Maloney	Taft
Barbour	Gurney	Mead	Thomas, Okla.
Barkley	Harrison	Miller	Tobey
Bilbo	Hatch	Minton	Townsend
Borah	Hayden	Murray	Tydings
Bridges	Herring	Neely	Vandenberg
Brown	Hill	Norris	Van Nuys
Bulow	Holman	O'Mahoney	Wagner
Burke	Holt	Overton	Walsh
Byrd	Hughes	Pepper	Wheeler
Byrnes	Johnson, Calif.	Pittman	White
Capper	Johnson, Colo.	Radcliffe	Wiley
Clark, Mo.	King	Reed	
Danaher	La Follette	Reynolds	
Davis	Lee	Russell	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. WALSH. Mr. President, I ask the Senator from Mississippi [Mr. HARRISON] whether or not there are any provisions in the bill changing tariff rates.

Mr. HARRISON. There are none.

Mr. WALSH. The Senator will recall that last year a proviso was inserted in a revenue bill correcting what appeared to be a misinterpretation by the Customs Court of the provisions of the law passed by the Congress. There is no similar proviso this year? If there were, I intended to offer an amendment on cocoa mat, because of an apparent erroneous decision by the Customs Court of New York, most injurious to the industry in America.

Mr. HARRISON. There is no provision in the bill which effects any change in tariff rates.

Mr. WALSH. I assume an understanding was reached after conferences between the chairman of the Ways and Means Committee of the House and the chairman of the Finance Committee.

Mr. HARRISON. There were numerous conferences in an effort to work out something, so that we would not get into confusion.

Mr. WALSH. In other words, in the matter of taxation, the Senate committee tried to confine its attention to the provisions of the House bill?

Mr. HARRISON. Yes.

Mr. WALSH. I should like to make another inquiry. Certain requests have been submitted to me by constituents and others. I have a request that the time for exemption from the tax upon whale oil be extended for 3 years, from June 30 of this year. Will the Senator state what his attitude would be if an amendment to that effect were offered?

Mr. HARRISON. The Senator, of course, is familiar, as we all are, with the fight that has taken place on this floor with reference to the importation of oils, whether they were whale oils or coconut oils or what not. When that matter came up in connection with the revenue bill of 1938, as I recall—

Mr. WALSH. And at that time an extension was granted until 1939. That act provided that no whale oil produced on American vessels should be admitted free after June 30, 1939. The extension of the effective date for levying this tax to 1944 is being requested in order to permit the two American companies, which are attempting to revive an old American industry, to continue to exist.

The extension requested will not injure the American farmer or fisherman, as claimed by certain interests which are seeking to destroy the American whaling industry.

Fats and oils are used principally in the preparation of, first, food products; second, soap; and third, paints, varnishes, and linoleum. They are generally classified according to these uses as food oils, soap oils, and drying oils. Over 90 percent of all the oils and fats consumed in the United States are consumed in one or more of these uses. Almost 75 percent of the total domestic consumption ordinarily enters into edible uses, about 20 percent into soap, and about 10 percent into paints and varnishes, linoleum, and miscellaneous materials. There is considerable overlapping, some oils entering into all three classes. But with a few exceptions the consumption of a given oil is a single use preponderate over its consumption in other uses.

In the United States whale oil is used almost entirely as a soap oil. It does not overlap into the class of food oils, and only overlaps to a very small and unimportant extent into the class of drying oils.

Whale oil is not used edibly in the United States. In some foreign countries it is so used. Although there is no legal inhibition against such use here, a manufacturer who used whale oil in the manufacture of edible products would be required to so state on the label.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the morning hour is concluded and it is the duty of the Chair to lay before the Senate the unfinished business, which is House bill 3325, to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised.

Mr. HARRISON. I move that the Senate proceed to the consideration of House bill 6851, the revenue bill, which has been under discussion.

The PRESIDING OFFICER. The question is on the motion of the Senator from Mississippi to displace House bill 3325 and consider at this time the tax bill, House bill 6851.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 6851) to provide revenue, equalize taxation, and for other purposes.

Mr. WALSH. Mr. President, I was about to say that the operation of the original law, placing a tax of 3 cents a pound on whale oil, was suspended until 1939 in order that those American industries that were engaged in the production of whale oil at sea might have time within which

to adjust themselves. Last year the provision was extended for another year. Now they are asking for a further extension, claiming that otherwise serious injury will be inflicted upon American industry. I inquire of the Senator if he feels that an amendment providing a further extension would be entering the domain of tariff legislation, and if he is disposed not to favor it at this time.

Mr. HARRISON. I am of the opinion that it would provoke a discussion that might last some time, because there are certain groups interested in various agricultural products that have made a fight in connection with the importation of oils. The Congress was generous enough to give them more time within which to complete their reorganization. I think the groups to which I have referred would oppose very much a further extension, and I would dislike very much to have the question raised in connection with the pending bill.

Mr. WALSH. I make these inquiries for the purpose of the RECORD. I realize the opposition of the Senator to such an amendment as I contemplated presenting would be effective in defeating it. I regret also that the Senator feels it would provoke a long discussion and delay action on the pending bill at this time. I wish to state further to the Senator that I would not be disposed to interfere with the program of the committee to confine this bill, in large part, to the provisions of the House bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. HARRISON. Mr. President, with reference to the pending amendment proposing to increase surtaxes and the amendment that is to follow it if the pending amendment shall be agreed to, I hope very much that the amendments will not be adopted. I shall not discuss at this time what the condition of the Treasury is or the necessity to raise more revenue; but we had hoped to pass a bill which could be considered somewhat in the nature of a relief tax bill. We believe that the bill as reported to the Senate goes in that direction. If a majority of the Senate desires now, instead of making it a relief tax bill to impose additional taxes, well and good, but I should very much dislike to have that done in connection with this bill.

I offer no criticism of the Senator from Wisconsin at all, because he has been making his fight for some years. He has sought on a number of occasions to lower the exemption feature of the tax law. I have voted for that proposal in the committee in the past. It may be that when we are engaged in considering a general bill involving an increase of taxes we can then give consideration to the proposal of the Senator from Wisconsin.

I may say that the Committee on Finance, as now constituted, has not had this matter before it. It is quite true that the Senator from Wisconsin, in the past, has been active in proposing amendments of similar nature, but in connection with the pending bill they were not presented to the committee. I dare say if they had been—at any rate, it is my guess—that they would not have been recommended to the Senate.

Mr. President, of course, there are two lines of thought in this country. Some believe that the more the Government spends the quicker the country is likely to return to normal conditions. I do not subscribe to that theory.

I have voted for many appropriation bills and am going to vote for many more; but I have been hopeful that we might so adjust matters in considering the pending measure as to give confidence to the people of the country and make them feel that, at least, the Government was encouraging them to give employment, enabling them to enjoy a little prosperity in their business, and assuring them that we are still operating under the capitalistic system; believe in profit making, and feel confident that the more prosperous business becomes the more employment we have, the greater will be the number of people taken off the relief rolls. We who entertain that idea believe that the pending bill is a step in that direction. We believe that the provision of the bill permitting

a 2-year loss carry-over to corporations, individuals, and partnerships, the flat corporation tax of 18 percent, the repeal of the undistributed-profits tax, and the administrative changes which have been suggested and approved by the Treasury, simplifying the revenue law and dispelling some of the confusion that has existed in the administration of tax laws in the past, will give some degree of encouragement to business.

The people of this country in the category between a \$6,000 income and a \$50,000 income may not be paying as much taxes as they should be paying, but they are, nevertheless, paying a good deal. It would not help the businesses in which they are engaged to require them now to contribute a considerable amount in additional taxes. If this amendment should be agreed to, and we should embark on a tax-adjustment program, a program of laying additional taxes upon the people and lowering the exemptions so as to broaden the base and take in more people, I would follow it up with an amendment I have which would reduce the taxes in some instances where the point of diminishing returns has been reached. I do not want to do that. I prefer that we leave the individual tax structure alone in the consideration of the pending bill.

I had advised the Treasury against suggesting any administrative changes to the bill in the hope that we could confine the measure to the corporate tax structure and the excise taxes which of necessity must be continued; but because they offered some administrative changes for simplification and certainty in the law, we offered the amendments found in the bill; but the point has not been reached until now of suggesting changes of rates on individual incomes.

I hope very much that this amendment will be defeated. Necessarily, if adopted, it will delay the consideration of the bill in conference, and in sending it to the President.

The Senator from Wisconsin said that it was merely a matter of coincidence, possibly, that tax bills reach the Senate just before the time expires and that the bills are brought before the Senate without much time for consideration. I am not to blame for that, and the Senator from Wisconsin does not blame me for it. In the case of the pending bill I tried to get it before the Senate as soon as possible before the dead line of June 30. I wish the bill could have come to us earlier. I cannot be responsible that the House committee felt they had necessarily to take a few days on it, but it seems to me that all who had anything to do with writing or formulating the policy embodied in this bill worked expeditiously and put their shoulders to the wheel in the effort to have it enacted into law as promptly as possible. In my experience, I do not know of an instance of the House acting so quickly on an important measure as they did on the pending bill. They passed it in 1 day, and it came to the Senate. The Committee on Finance considered it. The members of the committee were pretty familiar with what had been done by the House, and the committee reported it to the Senate for consideration in a very short time. Necessarily, however, inasmuch as the House Ways and Means Committee has given no consideration to the amendment proposed by the Senator from Wisconsin, which provides for an increase of taxes on incomes of a large group of people, and which is to be followed by another amendment relative to lowering the exemptions, it is going to take time. It may be referred in the House to the Ways and Means Committee or the House itself may take it up and debate it.

I feel that questions of this importance should be considered carefully. Rates that might have been applicable 2 years ago may not be applicable today. So it seems to me that the committee ought, at least, to counsel together and consider an amendment of such importance as this.

I, therefore, appeal to the Senate not to add to this bill amendments which Senators might ordinarily favor but which will disarrange the whole program, take time, and possibly endanger the passage of the proposed legislation.

For my part, I shall vote against the pending amendment and shall vote against the amendment to follow it providing for lowering the exemptions. I sincerely hope the Senate will not adopt the amendment to the bill.

The PRESIDING OFFICER (Mr. Lucas in the chair). The question is on the amendment offered by the Senator from Wisconsin [Mr. La Follette].

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KING. Mr. President, with the principle involved in the amendment offered by the Senator from Wisconsin [Mr. La Follette] I am in accord. The principle of the income tax has been accepted by most nations, and has become an important factor in producing revenues for the Federal Government.

I have believed for some time that there should be important modifications of our income-tax statute. There are inequalities which amount in some instances to discriminations. I have contended for a number of years that the rates upon incomes between the \$25,000 and \$60,000 brackets should be amended and the rates increased in order to harmonize them with the lower income-tax rates, as well as those in the higher brackets.

It is evident, with the enormous expenditures which are being made by the Government, that larger revenues must be obtained; and one of the important sources from which such revenues may be obtained exists in the so-called income tax. Undoubtedly the income-tax rates must be raised in many of the brackets, and a very large additional sum obtained to add to the Federal revenues.

Obviously an attack should be made upon the spending policies of the Government; but such attacks are unavailing, and if the Congress continues its large and in many instances unjustifiable appropriations, provision must be made to obtain additional revenue. Deficits may not persist indefinitely, and I have stated upon various occasions that if our present unwise policies are pursued, the credit of the Government will be impaired.

As stated, I am in sympathy with the amendment offered by the Senator, and would be very glad to have it adopted in connection with other amendments to the income-tax schedule that would bring them into proper relationship. However, much as I should like to vote for the amendment, I feel constrained to support the action of the committee, of which I am a member. Having acted with the committee in the consideration of the bill, I feel there is some obligation resting upon me to support the chairman and the committee. Some members of committees often find themselves in an embarrassing situation. They desire to support tendered amendments, and yet they feel that under the circumstances they should support the action of the committee. In view of the fact that this measure must be speedily passed and sent to the House for action, amendments might result in serious consequences. It may be that a conference of representatives of the two branches of Congress may be required in order to bring into agreement both the House and the Senate. The bill must be in the hands of the President within the next 2 or 3 days.

In view of this situation, reluctant as I am to do so, I shall feel constrained to vote against the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. La Follette]. On that question the yeas and nays have been demanded and ordered. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). On this question I have a general pair with the Senator from Utah [Mr. Thomas]. Not knowing how he would vote, I withhold my vote.

Mr. WHITE (when Mr. Hale's name was called). I announce the unavoidable absence of my colleague [Mr. Hale]. He has a general pair with the junior Senator from South Carolina [Mr. Byrnes]. I am not informed how my colleague would vote if he were present and at liberty to vote.

Mr. HOLMAN (when his name was called). I have a general pair with the junior Senator from Tennessee [Mr. Stewart]. I am advised that if he were present he would vote "nay," the same way I intend to vote. Therefore I am at liberty to vote, and vote "nay."

Mr. FRAZIER (when Mr. NYE's name was called). My colleague [Mr. NYE] is absent because of a death in his family. On this question he is paired with the junior Senator from Texas [Mr. CONNALLY]. If my colleague were present, he would vote "yea," and I understand that if the Senator from Texas were present he would vote "nay."

The roll call was concluded.

Mr. BYRNES (after having voted in the negative). I have a pair with the Senator from Maine [Mr. HALE]. I transfer that pair to the Senator from Iowa [Mr. GILLETTE], and will permit my vote to stand.

Mr. SHIPSTEAD (after having voted in the affirmative). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if he were present he would vote as I have voted and that he is specially paired, so I will let my vote stand.

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS] is detained from the Senate because of illness. The Senator from South Carolina [Mr. SMITH] is absent because of illness in his family.

The Senator from Arkansas [Mrs. CARAWAY] and the Senator from Texas [Mr. CONNALLY] are necessarily detained.

The Senator from Washington [Mr. BONE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CLARK], and the Senator from Ohio [Mr. DONAHEY] are detained in important committee meetings.

The Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Texas [Mr. SHEPPARD], the Senator from Tennessee [Mr. STEWART], the Senator from Utah [Mr. THOMAS], and the Senator from Missouri [Mr. TRUMAN] are absent on important public business.

The Senator from Virginia [Mr. GLASS] has a special pair on this vote with the Senator from Tennessee [Mr. STEWART]. I am advised that if present and voting, the Senator from Virginia would vote "yea," and the Senator from Tennessee would vote "nay."

Mr. HARRISON. I have a general pair with the Senator from Oregon [Mr. McNARY]. I transfer my pair with him to the Senator from South Carolina [Mr. SMITH], and will vote. I vote "nay."

Mr. AUSTIN. The Senator from Oregon [Mr. McNARY] is absent because of illness.

The Senator from Massachusetts [Mr. LODGE] is absent on public business.

My colleague [Mr. GIBSON] has a pair on this question with the Senator from Arkansas [Mrs. CARAWAY]. If present, my colleague would vote "nay," and I am advised that the Senator from Arkansas would vote "yea."

The Senator from Massachusetts [Mr. LODGE] has a general pair with the Senator from Texas [Mr. SHEPPARD].

Mr. HARRISON. Mr. President, I ask for a recapitulation of the vote.

The PRESIDING OFFICER. Is there any objection? The Chair hears none.

Mr. LA FOLLETTE. I object.

The PRESIDING OFFICER. The Chair will say to the Senator from Wisconsin that the objection comes too late. The clerk will recapitulate the vote.

The vote was recapitulated.

Mr. TYDINGS. Mr. President, I wish to change my vote from "yea" to "nay."

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry. How much time has elapsed since this roll call started?

The PRESIDING OFFICER. The Chair will say to the Senator from Wisconsin that he does not believe that is a parliamentary inquiry.

The result was announced—yeas 38, nays 38, as follows:

YEAS—38

Bilbo	Clark, Mo.	Hill	Lundeen
Borah	Danaher	Holt	McCarran
Burke	Frazier	Johnson, Colo.	Maloney
Byrd	Green	La Follette	Mead
Capper	Hatch	Lee	Minton

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Neely	Schwellenbach	Tobey	Wheeler
Norris	Shipstead	Townsend	White
Reed	Smathers	Vandenberg	Wiley
Russell	Taft	Wagner	
Schwartz	Thomas, Okla.	Walsh	

NAYS—38

Adams	Byrnes	Holman	Overton
Andrews	Davis	Hughes	Pepper
Ashurst	Ellender	Johnson, Calif.	Pittman
Austin	George	King	Radcliffe
Bailey	Gerry	Logan	Reynolds
Bankhead	Guffey	Lucas	Slattery
Barbour	Gurney	McKellar	Tydings
Barkley	Harrison	Miller	Van Nuys
Brown	Hayden	Murray	
Bulow	Herring	O'Mahoney	

NOT VOTING—20

Bone	Connally	Glass	Sheppard
Bridges	Donahey	Hale	Smith
Caraway	Downey	Lodge	Stewart
Chavez	Gibson	McNary	Thomas, Utah
Clark, Idaho	Gillette	Nye	Truman

So Mr. LA FOLLETTE's amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk, which I ask unanimous consent to have printed in the RECORD without reading. I wish to make only a brief statement, because, after all of the maneuvering and the footwork that has been going on in relation to the preceding amendment, I see little hope of having this amendment adopted at this time.

I merely wish to say that I desire to offer the amendment to indicate my sincere belief that the Senate of the United States and the Congress of the United States must face their responsibility, so far as the problem of taxation is concerned, and that unless they do face that problem at some time courageously, and with the necessary determination, ultimately only disastrous consequences can result.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. NORRIS. Mr. President, the amendment has not been read. What is it?

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to amend title II by adding at the end thereof a new section, to read as follows:

SEC. 220. Credits of individual against net income; returns of net income.

(a) Section 25 (b) (2) of the Internal Revenue Code (relating to credit for dependents) is amended by striking out "18 years of age" and inserting in lieu thereof "20 years of age."

(b) Sections 25 (b) (1) (relating to the personal exemption), 51 (relating to individual returns), 142 (relating to fiduciary returns), 147 (relating to information returns), 214 (relating to credits against net income), and 251 (f) (relating to credits against net income) of the Internal Revenue Code are amended by striking out "\$1,000" wherever it appears therein and inserting in lieu thereof "\$800", and by striking out "\$2,500" wherever it appears therein and inserting in lieu thereof "\$2,000."

(c) The provisions of this section shall apply only to taxable years beginning after December 31, 1938.

Mr. NORRIS. I wish the Senator from Wisconsin would explain the amendment. It arouses my curiosity. Would the result of the amendment be to lower the exemptions?

Mr. LA FOLLETTE. That would be the result. I can state in just a word the effect of the amendment. It would reduce the exemption for a married person with no dependents from \$2,500 to \$2,000, which would have the effect of imposing the normal tax of 4 percent on persons with net incomes of \$2,500 who are married and have no dependents, or a tax of \$20 a year.

The exemption for single persons would be reduced from \$1,000 to \$800, which would mean that a single person with no dependents who had a net income of \$1,000 would pay the normal tax on \$200 of the income, namely, \$8 a year.

The amendment further provides that the dependency of children may be claimed until they are 20 years of age instead of until they are 18 years of age, as now provided under existing law.

In view of the outcome of the last roll call I shall not ask for a roll call on this amendment. I am satisfied to have a viva voce vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 6791) making additional appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 6791) making additional appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

THE REVENUE

The Senate resumed the consideration of the bill (H. R. 6851) to provide revenue, equalize taxation, and for other purposes.

Mr. DANAHER. Mr. President, I send to the desk an amendment to the pending bill and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 57, line 16, it is proposed to insert a new section, as follows:

That section 148 (f) of the Internal Revenue Code is amended by adding at the end thereof the following new sentence: "It shall be unlawful for any person to sell, offer for sale, or circulate, for any consideration whatsoever, any copy or reproduction of any list, or part thereof, authorized to be made public by this act or by any prior act relating to the publication of information derived from income-tax returns; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding \$1,000 or by imprisonment not exceeding 1 year, or both, at the discretion of the court: *Provided*, That nothing in this sentence shall be construed to be applicable with respect to any newspaper, or other periodical publication, entitled to admission to the mails as second-class mail matter."

Mr. DANAHER. Mr. President, in January of this year there came to my attention first a broadside which was circularized nationally by someone named Helen Lewis, of 331 Southern Building, in Washington. In March of this year, under date of March 24, there came to my attention a similar and later communication, which offered to sell to people who were thus circularized 23,000 names of taxpayers of this country paid salaries of \$15,000 or more. The lists are offered for sale at \$50 apiece, obviously the offer being a bold and scandalous exploitation of the taxpayers of this country. The offerer says that her list is taken from an official copy furnished to the Ways and Means Committee of the House of Representatives by the United States Treasury Department.

Mr. President, it does seem that in these days when swindlers, kidnapers, and others are looking for possible victims upon whom to prey the offering of public lists of those who receive salaries of \$15,000 a year or more from corporations and business interests should be stopped.

There is nothing in my proposed amendment which would prohibit the newspapers or the magazines, those with legitimate interests to be subserved; those, in other words, whose publications enter the post office as second-class mail matter, from publishing such lists. Certainly, therefore, there is nothing derogatory to the public interest involved.

The amendment would simply prohibit personal gain from the use of official information which has been arrived at from the confidential returns by taxpayers of the United States.

I hope the amendment will prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

Mr. HARRISON. Mr. President, I am in sympathy with what the Senator has set forth in his explanation with respect to the harm that is done by reason of the sale of information procured from income-tax returns, but the experts are somewhat of the opinion that the language is so drawn that it might do some harm in certain particulars. For instance, certain statistics are sometimes published which are procured

from the income-tax returns. I do not know whether such statistics could be published under the provisions of the amendment or not.

I was hopeful that the Senator would not press the amendment. I can assure him that it is our idea that from now until January, even though the Senate and the House might adjourn within the next few days, many of these matters will be studied. Suggestions will be made to the Treasury with respect to many tax matters and suggested changes, and the proposal suggested by the Senator is certainly one which they could consider. I hope the Senator will not press his amendment at this time, and that we can take that matter up in the course of our studies.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. VANDENBERG. Since we are all agreed on the idea, and the only difficulty is with respect to the phraseology, I suggest to the Senator from Mississippi that he reverse his process and accept the amendment and take it to conference, where he will have plenty of time to correct the phraseology.

Mr. HARRISON. That might be well if we were sure of going to conference. However, I am optimistic. We have been closely in touch with the House Members, and I have some hope that the bill will not go to conference. We have helped it in some particulars; we have hurt it in no particular; and it may be that the measure will be accepted without going to conference. Of course, if we should accept certain amendments which might arouse opposition, that would be impossible; the bill would then have to go to conference.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. BARKLEY. I am in sympathy with the object sought to be accomplished by the Senator from Connecticut in his amendment. No one can extol the practice of extracting the names of taxpayers from any public source and selling them to the public, or to those who are gullible enough to buy them or for any selfish reason may want to buy them. On the surface it sounds very much like a sort of racket. However, as I understand, that practice is not now possible with respect to any of the returns subsequent to 1937. The practice has been discontinued as to 1938-39 and will be discontinued in the future. So the practice could only apply to returns as far back as 1937.

In view of that situation, it seems to me that it is one of the matters which ought to be given more careful consideration than can be given it here on the floor, although we are in sympathy with its objectives.

While I am on my feet I may say that it is my hope that between now and the next session of Congress many features of the tax law will be given very careful consideration and thorough investigation. We have been talking a great deal about a comprehensive revision of taxes. I wish to congratulate the Ways and Means Committee of the House and the Finance Committee of the Senate, excluding myself, because I had very little to do with it, upon preparing a practical, workable, and, it seems to me, sensible bill with respect to the immediate situation that confronts the Congress.

But there are many features of the tax laws which ought to be thoroughly studied between now and the next session in the hope that there may be constructive revision, modification, coordination, and simplification, both as to rates and practices, and it is my hope that in some official way Congress may provide for such a thorough study between now and next January.

Much as I am in sympathy with what the Senator from Connecticut is trying to do, I doubt whether he will accomplish much now by attempting to have the amendment adopted at this time. I am sure it will receive consideration before Congress reconvenes.

Mr. DANAHER. Mr. President, briefly by way of further comment, let me say that Miss Helen Lewis answers first the objection of the Senator from Kentucky, when she says:

Though most of the information covered 1935 and part of 1936, I believe that the details therein contained will be of value for a long time to come, as there is not a great turn-over in the personnel in this salary classification.

In the second place, it might be of interest to know that, among the items which have been taken from the corporation income-tax returns examined by the House Ways and Means Committee, and thereafter comprising this list, there is published not only the name and address of the corporation, but the position and title of the individual, the percentage of stock he owns, the salary he receives, the commission and bonus, and the like, paid to him.

Mr. President, I may state further in reference to the comment of the Senator from Mississippi [Mr. HARRISON], that I first took the matter up with him on or about March 24 of the present year. At that time I was assured of the same sympathetic consideration that the Senator now mentions. [Laughter.] I took it up with the General Counsel of the Treasury Department.

Mr. HARRISON. Mr. President, I may say to the Senator from Connecticut that I appreciate the compliment he has paid me. I recall the Senator's bill. We immediately took that matter up with the Treasury Department. I just asked my clerk if that were not true. As yet we have had no response to our request for a report. I do not like to admit it, but I have not received a report on the bill from the Treasury Department. I should like to amend the suggestion I made to the Senator before. Since the bill is before the committee, I give him the assurance that I will again call upon the Treasury Department for a report, and try to get the bill reported out of the Finance Committee at this session of Congress, and as early as possible. I will certainly bring it before the committee.

Mr. DANAHER. Mr. President, I thank the Senator from Mississippi. But briefly let me add, that the General Counsel of the Treasury Department also gave the bill what attention it deserved, and with equal results, so far as lack of writing an answer is concerned.

I pointed out to him in a letter of March 23, 1939, that:

I have discussed this bill with Senator HARRISON, chairman of the Committee on Finance. He expressed interest in the bill and was desirous of ascertaining the attitude of the Treasury Department with reference to it. I have also had conversation with various of my Democratic colleagues. They have all expressed unanimity of opinion with reference to the merits of the measure. I personally feel that this bill will effectually stifle an unwanted racket and is definitely in the public interest.

Will you kindly have this bill referred for such comment as the Treasury Department would care to make?

I have had no more reply from the Treasury Department than has the Senator from Mississippi, but in the absence of such reply, I took the bill to our legislative draftsman. It was worked over several days. Drafts of the proposed bill were thereafter sent to the Treasury Department, all without comment.

We all agree that the bill will attain a worthy objective if and when enacted. I respectfully submit that this type of racket in the public name ought to be stopped. I have the greatest confidence, I may say, in the Senator from Mississippi, as we all have who have come to know and love him, but I think one reaches a point in argument where he can say "Yes, but." I take it from the responses I have received on the floor that Senators are quite "sympathetic, but—." Well, I think I have reached the point where I can say "but, I think we ought to have a vote on the amendment."

Mr. HARRISON. Mr. President, the Senator has not accepted my suggestion; but he has been so logical and persuasive that I shall withdraw my opposition to the amendment. I am thoroughly in sympathy with it. I am sorry the Treasury has not reported upon it. If some question on the amendment should be raised in the House, the Senator would not tie up the bill and destroy the effect of it by delaying the bill after June 30, would he?

I have no objection to the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill is still before the Senate and open to amendment.

Mr. WALSH. Mr. President, I send to the desk an amendment which I ask to have stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

That section 3361 (b) of the Internal Revenue Code is amended by adding a comma and the words "Guam, and American Samoa" after the words "Puerto Rico."

Mr. WALSH. Mr. President, this amendment is presented at the request of the Navy Department, which has jurisdiction and control over Guam and American Samoa. The Navy Department desires that the same customs laws now applicable to Puerto Rico be made applicable to the other possessions referred to. The Navy Department approves the amendment, and the Treasury Department offers no objection.

Mr. HARRISON. Mr. President, will the Senator consent to the amendment being passed over for the present?

Mr. WALSH. Very well. It may be passed over for the present.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Massachusetts is temporarily passed over.

Mr. WALSH. Mr. President, I will send to the Senator from Mississippi a letter from the Navy Department and a letter from the Treasury Department dealing with this subject.

Mr. HARRISON. I have copies of those letters before me.

Mr. WALSH. I ask that the letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
Washington, December 30, 1938.

The CHAIRMAN,
Committee on Naval Affairs, United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: There is enclosed herewith a copy of a letter, together with a copy of a proposed bill "To amend section 302 of the Tariff Act of 1930 (46 Stat. 686; 26 U. S. C. 1481 b), as amended, so as to exempt Guam and American Samoa from internal-revenue taxes," this day forwarded to the Speaker of the House of Representatives.

Sincerely yours,

WILLIAM D. LEAHY, Acting.

DEPARTMENT OF THE NAVY,
Washington, December 30, 1938.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

MY DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill to amend section 302 of the Tariff Act of 1930 (46 Stat. 686; 26 U. S. C. 1481b), as amended, so as to exempt Guam and American Samoa from internal-revenue taxes.

The purpose of the proposed bill is stated in its title.

Under existing law domestic wine may be exported tax free in bond (40 Stat. 1113; 26 U. S. C. 1303) and fermented and malt liquors may be removed from the place of manufacture or storage for export to a foreign country without the payment of tax under appropriate regulations (26 Stat. 162; 26 U. S. C. 1333b). Neither Guam nor American Samoa is regarded as foreign territory to which shipments tax free in bond may be made. In view of the fact that such commodities are also subject to the local revenue taxes of Guam or American Samoa, United States manufacturers find themselves unable to meet foreign competition.

The Congress has seen fit to provide for shipments tax free in bond of articles from the United States to certain outlying possessions. Among such favored possessions are the Philippine Islands (46 Stat. 685; 26 U. S. C. 1461b), the Virgin Islands (40 Stat. 1142; 26 U. S. C. 1471b), and Puerto Rico (46 Stat. 686; 47 Stat. 158; 26 U. S. C. 1481b).

It would appear that Guam and American Samoa should enjoy a privilege in this respect similar to that accorded the Philippine Islands, the Virgin Islands, and Puerto Rico. Further, United States producers of commodities subject to internal-revenue taxes should not be discriminated against in competition with foreign producers.

Enactment of the proposed legislation would involve no additional cost to the Government beyond the loss to the Treasury of the small revenues derived from shipments to Guam and American Samoa of commodities subject to internal-revenue taxes.

The Navy Department recommends that the proposed legislation be enacted.

Sincerely yours,

WILLIAM D. LEAHY, Acting.

TREASURY DEPARTMENT,
Washington, March 1, 1939.

HON. PAT HARRISON,
Chairman, Committee on Finance, United States Senate.

MY DEAR MR. CHAIRMAN: I have your letter of February 2, 1939, transmitting a copy of bill S. 1111 (76th Cong., 1st sess.), introduced in the Senate on February 1, 1939, to amend section 302 of the Tariff Act of 1930, so as to exempt Guam and American Samoa

from internal-revenue taxes. You request a report in duplicate on the bill.

The amendment proposed is to add a comma and the words "Guam, and American Samoa" after the words "Puerto Rico" in the first line thereof, so that the above-mentioned section will read as follows:

"Articles, goods, wares, or merchandise going into Puerto Rico, Guam, and American Samoa from the United States shall be exempted from the payment of any tax imposed by the internal-revenue laws of the United States."

Under the present internal-revenue laws, oleomargarine, adulterated butter, process or renovated butter, mixed flour, playing cards, narcotics, marihuana, distilled spirits, and fermented liquors withdrawn from the manufacturing premises for shipment from the United States to Guam, American Samoa, or any other possession of the United States (except Puerto Rico, the Philippine Islands, or the Virgin Islands), are subject to a tax measured by the weight, quantity, or number of the articles in the same manner as withdrawals for domestic sale or consumption.

The tax exemptions to Puerto Rico, the Philippine Islands, and the Virgin Islands with respect to such articles appear to have been considered advisable, in part at least, because of the fact that Puerto Rico, the Virgin Islands, and the Philippine Islands have the power to levy reciprocal taxes equal to those imposed by the United States, and it has not been the general policy of the United States to levy taxes on articles destined for such possessions nor for such possessions to levy taxes on articles intended to be shipped to the United States. With respect to Guam, American Samoa, and other possessions of the United States, it is understood that only local taxes are collected, there being no customs or internal revenue administration comparable to those of Puerto Rico or the Philippine Islands. The question of whether, in view of the differences in internal government, the proposed exemption should be granted to articles going into Guam or American Samoa is one of policy for Congress to decide, as to which this Department makes no recommendations.

It is estimated that in the event the bill is enacted, the loss of revenue will be relatively small, and the adoption of the proposed amendment will apparently impose no undue additional administrative difficulties. Therefore, from the standpoint of the bill's effect on the revenues, this Department will offer no objection to its enactment.

Your attention is invited to the fact that the section proposed to be amended has been codified in the Internal Revenue Code (Public, No. 1, 76th Cong.) approved February 10, 1939, as section 3361 (b).

In the event further correspondence relative to this matter is necessary, please refer to IR:MT:ST.

The Acting Director, Bureau of the Budget, has advised the Treasury Department that there is no objection to the presentation of this report.

Very truly yours,

JOHN W. HANES,
Acting Secretary of the Treasury.

Mr. GURNEY. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. —. That effective on the thirtieth day after the day of enactment of this act, section 3412 (c) (2) of the Internal Revenue Code is amended to read as follows:

"(2) The term 'gasoline' means (A) all products commonly or commercially known or sold as gasoline (including casinghead and natural gasoline), benzol, benzene, or naphtha, regardless of their classifications or uses; and (B) any other liquid of a kind prepared, advertised, offered for sale, or sold for use as, or used as, a fuel for the propulsion of motor vehicles, motorboats, or airplanes; except that it does not include any of the foregoing mixed with 10 percent or more of anhydrous ethyl alcohol produced from annual agricultural crops grown in the continental United States and so denatured as to exempt it from the tax imposed by law upon distilled spirits, does not include any of the foregoing (other than products commonly or commercially known or sold as gasoline) sold for use otherwise than as a fuel for the propulsion of motor vehicles, motorboats, or airplanes, and otherwise than in the manufacture or production of such fuel, and does not include kerosene, gas oil, or fuel oil."

Mr. GURNEY. Mr. President, in plain words, the amendment will exempt from the Federal motor-fuel tax of 1 cent per gallon motor fuel containing 10 percent or more of alcohol made from any kind of farm product produced in the continental United States.

This is not a new proposal, not a new idea of mine. The entire Congress is well aware of the provisions of the amendment. It is merely a question of whether the Congress is bent on being compelled each year to appropriate huge amounts of money for subsidies to the farmers, as it has been

most necessary to do during the past few years, or whether Congress wishes to give private industry and the farmer a chance to work out their own problems, thereby making possible in the future an opportunity for Congress to cut down the annual Federal subsidies.

The farmer of the United States must have for himself all the market that is available in the United States; and when I say "all the market" I mean an industrial market, something more than just the food and clothing market. It is absolutely necessary that the farmer be prosperous; and when we have farm prosperity in the United States we shall have national security. The farmer is the backbone of the country.

The farmer welcomed the help of industry in supplying cheaper farm power—the tractor, the truck, and the automobile. Industry now has the opportunity to help the farmer find markets for all he can raise with better farm power.

In the matter of revenue for the Federal Government, the amendment would actually increase rather than decrease the present Federal tax income. Remember, the amendment would require the appropriation of not 1 red cent.

In conclusion, let me say that the amendment would materially help the present farm program, under which even now the farmer is producing a surplus.

Mr. President, I hope the amendment will prevail.

Mr. LEE. Mr. President, will the Senator yield?

Mr. GURNEY. I yield.

Mr. LEE. I wish to ask the Senator a question. Is the purpose of the amendment to exempt from Federal taxation fuel alcohol made from farm products?

Mr. GURNEY. That is correct; when the fuel contains 10 percent or more of alcohol produced from crops grown in the United States.

Mr. LEE. That provision would help to increase the market for farm products; would it not?

Mr. GURNEY. That is correct.

Mr. LEE. I am for it.

Mr. GURNEY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota.

Mr. HARRISON. Mr. President, the amendment offered by the Senator is somewhat similar to a bill introduced several years ago by the Senator from Missouri [Mr. CLARK]. It is similar to bills introduced at this session by the Senator from South Dakota [Mr. GURNEY] and the Senator from Iowa [Mr. HERRING].

The Committee on Finance appointed a subcommittee to study the matter. The Senator from Missouri [Mr. CLARK], who introduced the first bill some years ago, was appointed chairman of the subcommittee of the Finance Committee. The other members of the subcommittee are the Senator from Texas [Mr. CONNALLY], the Senator from Iowa [Mr. HERRING], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Kansas [Mr. CAPPER].

The question involved is an important one. Naturally, it is one in which the farmers of the country, as well as the oil producers and the general public, are interested. We have received letters from the Department of Agriculture and the Treasury Department respecting the matter; those Departments are opposed to the proposal; it is a very complicated question and requires careful study. Whether gasoline can be economically blended with alcohol from agricultural products is a question upon which I do not think any definite conclusion has been reached. I am informed by the Senator that the practice is being carried out in probably 21 other countries.

However, the study of the subcommittee appointed by the Finance Committee has not been concluded. Many witnesses appeared before the subcommittee, but the subcommittee has made no report to the Finance Committee. Consequently our committee has not been in a position to do anything. The question involves a matter of revenue. Such a measure ought to originate in the House. However, it may be offered as an amendment to the revenue bill.

In view of the fact that the subcommittee has as yet made no recommendation, and in view of the intricate and complicated nature of the question, which is deserving of so much study, I should very much dislike to see the amendment agreed to. I hope it will be rejected.

Mr. TYDINGS. Mr. President, I do not intend to offer an amendment to the pending bill, because I realize that many of the taxes expire on the 30th day of June, and it will be difficult to pass the bill and have it signed in time so that the Government will not lose revenue. However, I wish to point out one phase of our Federal taxation which in my judgment is very harsh and unfair. I refer to the tax upon tobacco.

Tobacco is an agricultural product; and yet the taxation on this one agricultural product is so heavy that it raises \$1 out of every \$10 that the Federal Government is now collecting in revenue. The tax on one agricultural commodity raises approximately \$600,000,000 a year.

There is no more reason to tax tobacco, one agricultural product, than there is to tax any number of agricultural products. Tobacco is practically a necessity. I feel that by keeping the tax as high as it is, we are really imposing a penalty upon the tobacco farmers of America. What an anomaly it is. How ludicrous it is to pay the farmers benefits on the one hand, and, on the other hand, to depress the price of the product which they produce, as we do through the heavy taxation which we have imposed on tobacco. Think of it. At a time when agriculture is receiving all kinds of help from the Federal Treasury, one single agricultural commodity is producing one out of every \$10 that come into the Federal Treasury.

In the State of Maryland there are five tobacco-producing counties. Last year was a very difficult year, particularly for the tobacco farmers of the country, insofar as the condition generally was reflected in the State of Maryland. I am hoping that when we reach the point of revising the tax structure at a later date there will be some reduction in tobacco taxes, because the increase in taxation on tobacco has depressed the price of the raw material produced on the farm. It seems to me to be out of all proportion to take this one, small agricultural commodity and superimpose one-tenth of the cost of operating the entire Government upon it.

I am not going to offer an amendment, for I realize there has not been time for hearings, that other provisions of the bill were primarily considered, and that there is not time to substitute for possible tobacco taxes other taxes, which ought, of course, to be done, for we cannot take in any less revenue, and to reduce tobacco taxes without substituting some other form of taxation would not do the national economy any good. I do want, however, to enter an emphatic protest against the continuance interminably of tobacco taxes, particularly to the extent that they are now levied. It is absolutely an outrage upon the tobacco farmers of this Nation that their product should be made to produce one-tenth of all the revenue that the National Government takes in. It seems to me, inasmuch as it is a hidden tax, that it is doubly iniquitous. I am hopeful that the next time the Ways and Means Committee of the House consider tax revision and make a reexamination of the tax structure they will find some means of reducing the tobacco tax and substituting some more equitable taxes therefor.

To put a 6 cents tax on a package of cigarettes is absolutely beyond all reason. Think of what it means in direct taxes? If a man smokes a package of cigarettes a day, or approximately 300 packages a year, he pays \$18 in cigarette taxes alone to the Federal Government. If he is making \$4.50 a day as a wage he has to work 4 days merely to make sufficient money to pay his cigarette tax. That may be bad in itself, showing the extent to which this one product has been taxed, but when it is traced to its origin the real sufferer is found to be the tobacco farmer, who is getting less for his tobacco because of the huge burden of governmental taxes that is superimposed on one agricultural product.

The wheat farmers would not permit a tax on wheat; the cotton farmers would not permit a tax on cotton; the flax farmers would not permit a tax on flax; yet this one agricultural commodity is a prop which holds up one-tenth of the total tax burden of this Nation. I am hopeful that the committees that deal with this subject will give it some consideration and a hearing when tax legislation comes up in the future.

Mr. TAFT. Mr. President, I wish to say a word in regard to the pending amendment. It seems to me it holds out more promise to the farmers of the United States than any other measure that has been discussed here this year. If the people of the United States should put 10 percent of alcohol in all the gasoline used in the United States, it would create a demand for farm products which would add 50,000,000 acres to farm production in the United States; and if we could add that much production we would, to a large extent, solve the farm problem without any additional subsidy.

As a matter of fact, the remission of 1 cent from the tax on gasoline would not bring about any such fine result, but, at least, it would permit an experiment in that field. It would make it possible to bring the cost of gasoline containing 10 percent of alcohol approximately down to the cost of straight gasoline. It may be said that such gasoline may not be so good as straight gasoline, but let me say that alcohol is used in gasoline in nearly every country in Europe in the proportion suggested by the amendment or even in a larger proportion.

The amendment provides no compulsory requirement. The consumer can determine for himself whether or not the 10 percent alcohol fuel is as good as straight gasoline. The amendment merely permits a subsidy to make an experiment, an experiment which, in my opinion, may lead to more help to the farmers of the United States than any other measure that anyone has proposed to Congress at this session, and at less cost to the United States.

The only solution of the farm problem, it seems to me, is to increase the consumption of farm products; there is no other field. We have established various experimental research laboratories; we are seeking to develop various uses for farm products; but there is nothing else that can compare in volume to the result that might be produced by the encouragement given by the adoption of the pending amendment remitting the 1-cent tax on gasoline which contains 10 percent of the farmer's product.

After all, the farmer lost his market largely because he no longer has to produce feed for horses. We have other methods of locomotion that rely entirely on oil. It seems to me only fair that the farmer should have at least a chance and be afforded encouragement to provide some part of the tremendous volume of fuel which is used in the United States today.

I hope, Mr. President, the amendment may prevail.

Mr. McCARRAN. Mr. President, before the Senator from Ohio yields the floor, will he permit me to ask him a question?

Mr. TAFT. I yield.

Mr. McCARRAN. I know the Senator is serious in sponsoring the proposed amendment, but does the Senator believe that there is anything more important for the surplus farm commodities of America than to provide an avenue for such surplus commodities from the farms of America into the markets of the world?

Mr. TAFT. I think it is more important to provide markets in this country that we can be sure of, no matter whether there is war or blockade or anything else. Yes; I do think it is more important to provide domestic consumption than foreign consumption.

Mr. McCARRAN. May I say to the Senator, then, before he leaves the floor, that, with his theory, we may go back to the principle that was advanced here not long ago of ploughing under cotton and corn and wheat and destroying pigs, so as to confine the farmer's production to that which was or is within the scope of American consumption.

Mr. TAFT. Oh, no; the Senator misunderstands me. I did not say it was not "important" to provide also an outlet to foreign markets. The Senator asked if there was anything "more important" than that, and I said, "Yes; to provide domestic consumption is more important"; but both, of course, are vitally important to the farmer.

Mr. McCARRAN. I am glad to have the Senator from Ohio agree that that is so, because to the proposed legislation—the stabilization-fund measure—which is coming up when we shall have concluded the consideration of the pending bill, is an amendment that I have offered, which, if adopted, will mean that we will offer to the markets of the world that are the greatest consumers of American commodities our farm products in exchange for silver; and when they offer their silver in exchange for our farm commodities, we say that we will take their silver at a price of 25 percent in advance of the world market. I hope the Senator may consider that matter, in view of the statement he has just made.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I have finished.

Mr. JOHNSON of Colorado. I should like to direct a question to the Senator from South Dakota [Mr. GURNEY].

Mr. GURNEY. I shall be glad to answer the Senator, if I can.

Mr. JOHNSON of Colorado. I feel quite in sympathy with the purpose of the amendment of the Senator from South Dakota, but I am wondering how the rebates would be made, whether or not the adoption of the amendment would provide a loophole for the evasion of gas taxes, and whether or not the amendment, if adopted, would be cumbersome in administration?

Mr. GURNEY. I do not believe there will be any difficulty in that respect, for the reason that each refiner who is now obligated for the gasoline tax operates under bond. No enlargement of that surety bond would be required under the amendment. It would be a matter of book work. I cannot foresee any trouble in that respect at all. In the hearings which were held, and which occupied 4 days, no such question was raised.

Mr. JOHNSON of Colorado. May I ask where the mixture will be made; where the alcohol will be added to the gasoline?

Mr. GURNEY. It will be added as near the alcohol refinery as possible; it will be made near the plant where the distributor of gasoline now has his gasoline plant. The denatured alcohol will come from the alcohol refinery to the gasoline dealers distributing plants which are found all over the country.

Mr. President, at this time I should like to reply to the statement of the Senator from Mississippi that the subcommittee has not yet reported on the bills having to do with this matter, the one offered by the Senator from Iowa [Mr. GILLETTE], Senate bill 552, and the bill introduced by me which I have offered in the form of an amendment. The hearings were completed on May 29.

I wish also to make a comment on his statement that the farmers in the farming territory are not interested in this measure. I may say that they are vitally interested by advising the Senate of the fact that the Legislature of the State of Nebraska recently, within the past 2 weeks, passed a bill exempting from the Nebraska gasoline tax, motor fuels containing alcohol produced from Nebraska farm products.

Inasmuch as there are now so many measures under which the Federal Government gives aid to the States when the States furnish part or a small percentage of the money, this would be a fine place for the Federal Government to give aid to the States in the same manner.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. GURNEY].

Mr. HARRISON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	Lee	Schwellenbach
Ashurst	Ellender	Logan	Shipstead
Austin	Frazier	Lucas	Slattery
Bailey	George	McCarran	Smathers
Barbour	Gerry	McKellar	Taft
Barkley	Green	Maloney	Thomas, Okla.
Bilbo	Guffey	Mead	Tobey
Bone	Gurney	Miller	Townsend
Borah	Harrison	Minton	Vandenberg
Bridges	Hatch	Murray	Van Nuys
Brown	Hayden	Neely	Wagner
Bulow	Hill	Norris	Walsh
Byrd	Holman	O'Mahoney	Wheeler
Byrnes	Hughes	Pepper	White
Chavez	Johnson, Calif.	Pittman	Wiley
Clark, Mo.	Johnson, Colo.	Radcliffe	
Danaher	King	Reed	
Davis	La Follette	Reynolds	

The PRESIDING OFFICER. Sixty-nine Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. GURNEY].

Mr. GURNEY. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the junior Senator from Utah [Mr. THOMAS]. Not knowing how he would vote on this question, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. WHITE (when Mr. HALE's name was called). I again announce the unavoidable absence of my colleague [Mr. HALE]. He has a pair with the junior Senator from South Carolina [Mr. BYRNES]. I am not authorized to state how my colleague would vote if present.

Mr. HOLMAN. I have a general pair with the Senator from Tennessee [Mr. STEWART]. I am advised that if he were present he would vote "nay" on this question. If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. FRAZIER (when Mr. NYE's name was called). Making the same announcement as before regarding the absence of my colleague [Mr. NYE], I will state that he is paired on this question with the junior Senator from Texas [Mr. CONNALLY]. If my colleague were present, he would vote "yea." I am advised that if present and voting, the Senator from Texas would vote "nay."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS] is detained from the Senate because of illness.

The Senator from South Carolina [Mr. SMITH] is absent because of illness in his family.

The Senator from Arkansas [Mrs. CARAWAY], the Senator from Texas [Mr. CONNALLY], and the Senator from West Virginia [Mr. HOLT] are necessarily detained.

The Senator from Florida [Mr. ANDREWS], the Senator from Alabama [Mr. BANKHEAD], the Senator from Nebraska [Mr. BURKE], the Senator from Idaho [Mr. CLARK], the Senator from Nevada [Mr. McCARRAN], and the Senator from Georgia [Mr. RUSSELL] are detained in various committee meetings.

The Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Texas [Mr. SHEPPARD], the Senator from Tennessee [Mr. STEWART], the Senator from Utah [Mr. THOMAS], and the Senator from Missouri [Mr. TRUMAN] are absent on important public business.

The Senator from Iowa [Mr. HERRING], the Senator from Louisiana [Mr. OVERTON], the Senator from Wyoming [Mr. SCHWARTZ], and the Senator from Maryland [Mr. TYDINGS] have been called to Government departments on matters respecting their various States.

Mr. HARRISON. I have a general pair with the Senator from Oregon [Mr. McNARY]. I transfer my pair with him to the Senator from South Carolina [Mr. SMITH] and will vote. I vote "nay."

Mr. AUSTIN. The Senator from Massachusetts [Mr. LODGE] has a general pair with the Senator from Texas [Mr. SHEPPARD].

The Senator from Vermont [Mr. GIBSON] has a pair with the Senator from Arkansas [Mrs. CARAWAY]. If present, the Senator from Vermont would vote "yea," and I am advised that the Senator from Arkansas would vote "nay."

The Senator from Kansas [Mr. CAPPER] is paired with the Senator from Georgia [Mr. RUSSELL].

Mr. BYRNES. I have a pair with the Senator from Maine [Mr. HALE]. I transfer that pair to the Senator from Iowa [Mr. GILLETTE] and vote "nay."

Mr. SHIPSTEAD (after having voted in the affirmative). I am paired with the senior Senator from Virginia [Mr. GLASS]. I am not informed how he would vote, if present, and I have been unable to obtain a transfer of my pair, so I withdraw my vote.

The result was announced—yeas 28, nays 38, as follows:

YEAS—28

Austin	Frazier	Minton	Taft
Barbour	Gurney	Murray	Tobey
Bone	Johnson, Calif.	Norris	Townsend
Borah	La Follette	O'Mahoney	Vandenberg
Bulow	Lee	Pepper	Wheeler
Danaher	Lucas	Reed	White
Donahey	Lundeen	Schwellenbach	Wiley

NAYS—38

Adams	Davis	Hughes	Radcliffe
Ashurst	Ellender	Johnson, Colo.	Reynolds
Bailey	George	King	Slatery
Barkley	Gerry	Logan	Smathers
Bilbo	Green	McKellar	Thomas, Okla.
Brown	Guffey	Maloney	Van Nuys
Byrd	Harrison	Mead	Wagner
Byrnes	Hatch	Miller	Walsh
Chavez	Hayden	Neely	
Clark, Mo.	Hill	Pittman	

NOT VOTING—30

Andrews	Downey	Lodge	Shipstead
Bankhead	Gibson	McCarran	Smith
Bridges	Gillette	McNary	Stewart
Burke	Glass	Nye	Thomas, Utah
Capper	Hale	Overton	Truman
Caraway	Herring	Russell	Tydings
Clark, Idaho	Holman	Schwartz	
Connally	Holt	Sheppard	

So Mr. GURNEY's amendment was rejected.

Mr. LEE. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the proper place the following:

In the case of obligations of the United States issued after September 1, 1917 (other than postal-savings certificates of deposit), and in case of obligations of a corporation organized under act of Congress, the interest shall be exempt—

(1) Only if such obligations were issued or reissued prior to the date of enactment of the Revenue Act of 1939; and
(2) Only if and to the extent provided in the respective acts authorizing the issue thereof, as amended and supplemented; and shall be excluded from gross income only if and to the extent it is wholly exempt from the taxes imposed by this title.

Mr. LEE. Mr. President, this is the same amendment the Senate attached to a revenue bill last year. It would prevent the issuing of tax-exempt bonds hereafter.

The President has, since the amendment was offered last year, sent us a message asking that we pass legislation to stop the further issuance of tax-exempt bonds. Today, in round numbers, there are in the United States \$50,000,000,000 in bonds which are either partially or wholly tax exempt. That means that the holders and owners of \$50,000,000,000 of wealth are beyond the reach of taxation.

A tax-exempt privilege is a privilege enjoyed by the rich. The poor are not able to salt away a strongbox full of tax-exempt securities. Only those in the wealthy class are able to own tax-exempt bonds. Therefore, this is a privilege of exemption extended only to a certain class, because that privilege of exemption means very little to a man in the lower brackets.

For instance, a man with an income of \$500,000 can realize more from a tax-exempt security bearing 3 percent

than he can on a taxable security bearing 10 percent. That means that the tax-exempt privilege to a man with a half a million dollar income is worth 7 percent, whereas to a man with a \$5,000 income the tax-exempt privilege is worth only two-tenths of 1 percent.

Furthermore, the Government is losing millions of dollars every year because of this tax-exempt privilege. Let us take a specific example as an illustration. Suppose a school district in Oklahoma issues \$1,000,000 worth of bonds bearing 3 percent interest, and suppose the entire issue is purchased by a man having an income of \$500,000. If the bonds are tax-exempt the Government loses each year in income taxes \$21,197.77, whereas if the bonds were taxable the increased cost in interest charges would average only \$3,750, according to the estimate of the Treasury Department.

The difference between \$21,197.77, which would be the loss in revenue if the bonds were tax-exempt, and \$3,750, which would be the additional interest cost if the bonds were not tax-exempt, is \$17,447.77. In other words, the net loss in revenue on that \$1,000,000 issue of tax-exempt bonds is \$17,447.77 each year. If the bonds were issued for 20 years, the total amount of net loss in revenue on that \$1,000,000 issue of tax-exempt bonds would be \$347,955.40. For that amount many school bells could be kept ringing in the school district issuing the bonds. And, remember, that figure represents the savings on only \$1,000,000 worth of tax-exempt bonds, whereas altogether there are \$50,000,000,000 worth of tax-exempt bonds in the United States today.

Much of our humanitarian program today is lagging for the want of income. At the same time we exempt from certain taxes those most able to pay. Today if a man derives his income from any other source than from tax-exempt Government securities he must pay taxes, State and Federal, but if he draws an income from those specially exempted securities he is exempt.

If a storekeeper, for example, living in Oklahoma, has an income of \$5,000 he must pay income taxes of \$146.22. But if his neighbor has an income of \$5,000 from interest on tax-exempt bonds he is excused from paying any income tax whatever on such income.

Again, a married man living in Oklahoma who has an income of \$10,000 derived from renting his home property, must pay income taxes amounting to \$737.85, but if his neighbor has an income of \$10,000 derived from the interest on tax-exempt bonds he is excused from paying any taxes whatever on that income.

Again, if a married man living in Oklahoma has an income of \$50,000 from the oil business, for example, he would be required to pay income taxes amounting to \$11,132.41, whereas if his neighbor had an income of \$50,000 derived from tax-exempt bonds he would be excused from paying any income tax whatever on that income.

Again, if a poor farmer does not make enough money on his farm to pay his property taxes his farm is sold from under him. But if a rich man has an income of \$1,000,000 derived from tax-exempt bonds he is not required to pay one thin dime of tax on his income.

Such favoritism is not only immoral but unfair, unjust, and economically unsound. Therefore, Mr. President, I ask that the Senate attach to the tax measure without further delay an amendment which will by law hereafter prevent the issue of tax-exempt securities.

Mr. HARRISON. Mr. President, before the Senator concludes, I wish to express the hope that the Senator will not insist on his amendment. I wish to state what the facts are. During the last session the Senate appointed a special committee to study the question referred to, because it is a very complicated one. The committee was appointed to study the question of taxing future issues of Federal, State, and local securities. There is no question, of course, that Congress has the right to tax the interest on Federal issues. However, many questions are involved. Therefore the special committee, of which the Senator from Michigan [Mr. BROWN] is chairman, proceeded to make a study of the

question. The committee did some very valuable work and is now ready to make its report.

Of course, the proposal for such reciprocal taxation must begin in the House. The Senate Committee on Finance is ready to consider the question now.

The Senator from Oklahoma will recall that previously, when the question of reciprocal taxation of State and Federal employees was considered, the Senator from Missouri offered an amendment dealing with the taxation of securities. Assurance was given the Senator that the House would take the matter up and consider it.

The chairman of the Committee on Ways and Means [Mr. DOUGHTON] has just informed me that the committee has been working on the social-security measure, as the Senator knows, for some 2 months, and also on the tax bill which is now before us. Therefore the committee has been unable to get to a study of the tax-exempt securities matter until now. The committee will begin work next Wednesday. I do not know how rapidly they will proceed. I cannot speak for the Ways and Means Committee. However, it will not be long before we shall have the question before us. In view of that I hope the Senator will not at this time insist on his amendment to the pending bill, because the House Ways and Means Committee has not yet given the question any consideration. As I said, they will begin considering it next Wednesday.

Mr. LEE. Mr. President, does the Senator think we may have it up this session?

Mr. HARRISON. I hope so, but I do not know. The Senate cannot start action on the measure because such action must originate in the House of Representatives. Of course, the Senator is in order in offering the amendment on the pending revenue bill.

Mr. LEE. Of course, the reason for offering it at this time is because such an amendment is limited to tax measures as they come up. Can the Senator give me any assurance of consideration in his committee if such a measure does come over from the House during the present session?

Mr. HARRISON. The committee of which I have the honor of being chairman tries to give expeditious consideration to all matters that come over to us, and I can assure him that if the bill comes over here, the Committee on Finance will begin the study of the question immediately.

Mr. LEE. I will say that if the Senator considers it with the speed that he did the pending tax measure, it will be entirely satisfactory.

Mr. HARRISON. We will give expeditious consideration to the matter.

Mr. MALONEY. Mr. President, I hope the Senator from Oklahoma will not be easily persuaded by the eloquent chairman of the Finance Committee. We have had this matter under discussion before, with a similar promise of early consideration—a little later. It is not likely we will have an opportunity to have it considered at this session unless we consider it now, and the least we can get out of it is the giving of some encouragement to those who are enthusiastically concerned about it on the other side of the Capitol. I hope the Senator will make an effort to have his amendment considered.

Mr. HARRISON. I may say to the Senator from Connecticut as well as the Senator from Oklahoma that here is a great and important committee of the House of Representatives as the Senator knows because he has been a Member of the House. The bill goes to that committee. The question will be referred, if need be, to the conference committee, on which there will probably be five members from the Ways and Means Committee. They would naturally want their full committee to study the question. That will hold up the bill. No question of constitutionality is involved. Many people agree that Congress has the right to tax future Federal securities. Yet they think it is unfair to the Federal Government for the States to continue to issue bonds which are tax free, while the Federal Government puts additional burdens of taxes on them. So there are many and varied ideas with respect to this question. I do not know who is correct about the matter, but we are bound to get this ques-

tion before us for consideration in the not greatly distant future.

Mr. President, I believe I am logical in my contention that the amendment ought not to be placed on the pending bill.

Mr. MALONEY. Mr. President, the Senator from Mississippi is one of the real tax experts of this country, and because he has been long familiar with this particular proposal he understands that it does not require much further study by the Congress. The Members of the House, as well as the Senate, definitely understand the proposition. They have given study to it. I think if they are given a chance they are prepared to vote. I think the majority are prepared to wipe out this unfair exemption.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. GEORGE. I may say that this proposal is merely to tax Federal bonds. Practically all Federal bonds are now taxed, except the normal tax is not imposed on them. That is to say, almost all taxpayers in any relatively high brackets are now paying the surtaxes on Federal bonds.

The question is one that requires the closest kind of study and it is so related to the question of the bonds issued by the States and political subdivisions that the two ought to be considered together from the standpoint of Federal taxation.

I am quite sure that we would not be able to persuade the House to accept this amendment even if it were unanimously adopted by the Senate at this time. It at least would lead to a very prolonged conference. I doubt if it would be accepted, because the members of the House Ways and Means Committee recognize that taxes upon State and Federal securities are so interrelated, that they so affect the economy of the two forms of government, the State government and the Federal Government, that they ought to be considered together.

Mr. President, I question whether we have even given due consideration to the fact that surtaxes are now imposed upon practically all Federal bonds. There are certain types of Federal certificates or debentures or bonds issued by various lending agencies which perhaps ought to be taxed, but I apprehend that we would not be able to tax those securities on a clear-cut issue, because we would be answered, and with a great deal of force, that we were borrowing this money through new agencies set up by the Government for the purpose of relieving business or giving general relief.

I think we should consider that Federal bonds as such are subject to the surtax rates, that those who come within the high brackets are paying a surtax on Federal securities, and that as yet we are not taxing State securities or securities of local subdivisions. They are very closely related, and the matter ought to proceed regularly. The House committee has already announced that it will commence a study of this very problem next week.

Mr. MALONEY. If I may briefly answer the statement of the Senator, I desire to say that if I could be persuaded on this matter by any Member of this body I am sure I could be persuaded by the Senator from Georgia. I have a tremendous admiration for his judgment and ability as well as his personality. When those are coupled with the eloquence and understanding of the Senator from Mississippi [Mr. HARRISON], I face something that would ordinarily be difficult. I am not persuaded, however, and for myself am quite prepared to vote. I think I have a sufficient understanding of the problem. I know the problem involved in the States and municipalities. However, the amendment is not mine, and I have no right to say more than I have said, except that I am sorry that I do not have an opportunity to vote for the amendment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. BARKLEY. I wish to ask the Senator from Georgia a question along the line suggested by him. I am sure I speak for all the colleagues of the Senator from Connecticut [Mr. MALONEY] when I say that we all respect his sincerity; and whenever the Senator from Connecticut really studies a problem and makes up his mind upon it, in my judgment, no

Senator has a clearer understanding of what he is about than has the Senator from Connecticut.

It seems to me the fact that the House did not include this provision in the tax bill is at least affirmative evidence that the House of Representatives was not prepared to consider it, and that the House had not given the question sufficient consideration to justify it in including the provision in the bill.

The question I wish to ask the Senator from Georgia, who probably will be one of the conferees on the bill if and when it goes to conference, is whether or not the fact that the House originally did not include this provision, and has already called the committee to consider it next Wednesday and subsequently as long as the committee may have the time to consider it, would militate against the House now giving sufficient consideration to the amendment, if we should send it over, to justify the House in feeling that it ought to be included in the bill?

Mr. GEORGE. I think the House would definitely decline to consider it.

The Senator from Kentucky may recall that we had this amendment, or substantially this amendment, in the 1938 tax bill. We carried it into conference; and at that time the other House took the position that it wanted to make a study, which it had not made. We might say that the House was not unduly anxious to make the study; but it has since evidenced a disposition to make it, and it is now proceeding with the study of the question.

Mr. BARKLEY. As only one member of the Committee on Finance, I wish merely to add that I join thoroughly in the assurance of the Senator from Mississippi [Mr. HARRISON] to the Senator from Oklahoma [Mr. LEE] that if and when the bill comes over from the House it will be given prompt and speedy consideration. Our committee has already gone very carefully into the matter through a subcommittee, whose chairman is the Senator from Michigan [Mr. BROWN]. I dare say that subcommittee has gone more fully into the question than any such committee in the Senate or House has done within recent years. I will say to the Senator from Oklahoma that we have already laid the groundwork for a very prompt consideration of the whole subject.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. LEE. I yield to the Senator.

Mr. BROWN. In the first place, I do not wish to take offense at the statement of the majority leader that our committee is a subcommittee of the Finance Committee. We are a special committee of the United States Senate.

Mr. BARKLEY. I am glad to accept the correction. We are so in the habit of talking about subcommittees that we automatically mention them.

Mr. BROWN. I am reminded of that fact by my colleague on the committee from Arkansas [Mr. MILLER], and I thought that as chairman of the committee I had better defend the integrity of the committee.

Mr. BARKLEY. It is a special committee. Whether it be a subcommittee or a special committee, it is a very able and hardworking committee, and has done a fine job.

Mr. BROWN. I thank the Senator very much.

I will say to the Senator from Oklahoma [Mr. LEE] that under ordinary conditions I should favor his amendment. I do not understand just what his amendment provides; but, generally, I understand that it prevents a further issue of tax-exempt bonds by the Federal Government, and applies a tax upon future issues of State and municipal bonds.

Mr. BARKLEY. No; it does not do that.

Mr. BROWN. I agree with the general purpose. I should be pleased if I thought we could now write such an amendment into the tax law of the United States. However, as I view the situation today, the 22d day of June, I am satisfied that we cannot write it into the pending bill. I know that there are Senators present who are so strongly opposed to the measure and its consideration under these circumstances that they not only could, but would, act in a way that would prevent consideration of the amendment at the present time if they thought it was to be written into the law.

I will say to the Senator from Oklahoma that I intend to do my part to write into the law this amendment, or the substance of this amendment, so that it will become effective upon the income taxes which are to be paid in March 1940. However, I am satisfied that the conferees from the Ways and Means Committee of the House of Representatives would not permit the amendment to be added to the pending bill so as to become law on the 1st day of July of this year. So I think the Senator's effort is futile, and would not produce the result which he desires to achieve.

Mr. LEE. Does the Senator's contemplation of the proposal preventing tax exemption include State and local tax-exempt securities?

Mr. BROWN. Speaking for myself, I would first prevent the further issue of tax-exempt bonds by the Federal Government. There is no question that we can do that constitutionally. Secondly, by the same reciprocal method we used in applying the income tax to State salaries, I would provide that the States might tax the income from Federal securities, and that the Federal Government might apply its income tax to future issues of State and municipal bonds. That is the proposal which I favor.

Mr. BORAH and Mr. McCARRAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield; and if so, to whom?

Mr. LEE. I yield to the Senator from Idaho, unless he wishes to take the floor in his own right.

Mr. BORAH. I do not desire to take the floor in my own right. I merely wish to make a suggestion. It may be that the Senator from Oklahoma will think it expedient to withdraw his amendment in view of the situation which presents itself with reference to reconsideration of this matter. There is really no reason why the Senator from Oklahoma should not urge his amendment, so far as any legal or constitutional question is involved. It is simply a question of expediency as to whether or not this is the time to urge it. That is a matter for the Senator from Oklahoma to determine.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. McCARRAN. I wish to go along with the expression just made by the Senator from Idaho, that the question is one of expediency and not of law. I wish the able Senator from Michigan [Mr. BROWN], in making his expressions to the Senator from Oklahoma [Mr. LEE] just a few minutes ago, had referred to the record made during the past 2 years when we were considering revenue bills. The same expression has been used in varied form, and the same promise has been made in different ways. I think we are only putting off the hour when we must do that which is recognized to be right. When we have the courage to do it we shall do it.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. AUSTIN. I have no intention of making a speech. I should like to say to the Senator from Oklahoma [Mr. LEE], while he has the floor, that in my opinion we are now nearer a conclusion on the whole matter of the immunity of all classes and kinds of bonds than the Congress has ever before been. The special Senate committee, which spent much time and effort in covering the whole field pro and con, is about ready to report. I believe that before the present session of Congress is concluded the majority report and the minority views will come before the Senate, presenting such phases of the question as have been developed by very thorough study. Therefore I join with others in the belief that it would be wiser for us not to try to pass upon this question singly at this time.

Mr. LEE. Mr. President, in view of the statements of all the Senators who have expressed themselves, and in view of the fact that consideration of a measure of this kind is actually under way in the House, as well as consideration of the entire program of tax exemption, including State and local bonds, as well as Federal bonds, I shall not press my amendment at this time; but, acting in accordance with the suggestions of some of the leaders, I shall withdraw the amendment. I am not running from the fight, and I now

announce that the same argument will not be effective the next time.

The PRESIDING OFFICER. The amendment of the Senator from Oklahoma has been withdrawn.

The bill is still before the Senate and open to further amendment.

Mr. HARRISON. Mr. President, the Senator from Massachusetts [Mr. WALSH] offered an amendment which I asked to go over temporarily. There is no objection to that amendment on the part of the Treasury.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Massachusetts is agreed to.

The amendment of Mr. WALSH is as follows:

That section 3361 (b) of the Internal Revenue Code is amended by adding a comma and the words "Guam, and American Samoa" after the words "Puerto Rico."

The PRESIDING OFFICER. If there be no further amendments to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. HARRISON. Mr. President, I ask unanimous consent that the clerks may be authorized to make in the bill such technical changes, including the renumbering of sections, and so forth, as may be necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARKLEY. I ask unanimous consent that the amendments may be numbered and printed as usual in the tax bill which has just been passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

STABILIZATION FUND AND WEIGHT OF THE DOLLAR

Mr. WAGNER. I move that the Senate proceed to the consideration of House bill 3325, the so-called stabilization fund bill. If the motion is agreed to, I shall ask that the consideration of the bill not be resumed until tomorrow morning.

Mr. BARKLEY. I will say to the Senator, after conferring with both Senators from Nevada, that it is entirely agreeable. The senior Senator from Nevada [Mr. PITTMAN] desires to address himself to the bill for an hour or so, but does not desire to proceed at this late hour, and I myself think he ought not to be required to do so.

Mr. WAGNER. That is quite agreeable to me.

Mr. BARKLEY. So that if the motion is agreed to we will not resume the consideration of the bill until tomorrow.

Mr. McCARRAN. Mr. President, I wish my attitude to be understood in this matter. I am not going to raise any question as to this motion; I am not going even to oppose it for a moment, but I am serving notice now that I will not consent to the taking up of any other bill until the matters involved in the bill which the Senator from New York has moved to take up shall be entirely disposed of.

Mr. WAGNER. That is quite agreeable to me.

Mr. BARKLEY. Of course, I hope we can dispose of the bill, in one way or the other, before any other important legislation is reached, I will say to the Senator.

Mr. McCARRAN. I hope so.

The PRESIDING OFFICER. The question is on the motion of the Senator from New York [Mr. WAGNER].

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 3325) to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised.

PREVENTION OF PERNICIOUS POLITICAL ACTIVITIES

Mr. HATCH. Mr. President, earlier in the day I sent to the desk an amendment which I propose to offer, if necessary, next week to the relief appropriation bill when it is to be considered. At the time I desired very much to make a very brief explanation of the amendment itself; but in view of the fact that the Senate was engaged in other

important business, I did not take the time to explain the amendment which I sent to the desk. Now, however, I wish merely a few minutes to explain the reasons why I sent the amendment to the desk this morning.

The amendment is a redraft of section 9 of Senate bill 1871, which was introduced by the Senator from Texas [Mr. SHEPPARD], the Senator from Vermont [Mr. AUSTIN], and myself. It passed the Senate on the 13th day of April last. Since that time it has been pending in the Judiciary Committee of the House of Representatives. In connection with that bill, I am happy to say to Senators today that the provisions of the bill relating to the removal of what has been termed politics from relief have all been agreed upon; at least, I have heard no objection to them. I have recently conferred with members of the House committee, and they are in unanimous accord with those provisions of the bill, which are quite stringent in their terms and which, at least, serve to strike at what has been termed politics in relief.

Section 9 of the bill, however, has caused considerable comment. Some opposition appears to exist against that section. It is because of that opposition that I plan, if necessary—and I repeat the words "if necessary"—to offer it as an amendment to the relief bill.

There are several reasons for this course. I shall not attempt to enumerate them all, but I would say that there is no desire on my part to raise an issue again here on the floor of the Senate, to cause any embarrassment whatever to any Senator, to cause a roll-call vote or place anyone on record, or, as some people say, "on the spot." That is not my purpose, and I sincerely hope that action in the House of Representatives before the relief bill shall be considered by the Senate will prevent the necessity of offering the amendment on the floor of the Senate.

Mr. President, I am advised that certain Senators have said that they did not understand all the provisions of section 9 when the bill passed the Senate by unanimous consent. Some of them have said that they did not understand that under its provisions practically all employees of the Federal Government except those occupying what I choose to term "policy-making positions" would be barred from any political activity. If that be true, it is a situation which I do not care to have exist. If Senators do not understand the bill, and if they want to have the privilege of voicing their approval or disapproval of it on its merits, I am perfectly willing that they shall have an opportunity of so doing. That is one of the reasons why, if it becomes necessary, I shall submit the revised or redrafted provision covering the same points as section 9 does.

The amendment as drawn and as it will be offered will place—I want Senators to understand this, and I want Members of the House to understand it—will place all non-policy-making officials and employees of the Federal Government under exactly the same rules which now apply to more than a half million employees of the Federal Government under the civil service. It would do that and nothing more. It would make applicable exactly the same rule.

I see no reason, Mr. President, why we should make fish of one class of Federal employees and fowl of another; and, Mr. President, you may spell "fowl" any way you desire. In view of an aside from our remarks on the floor, I will amplify my statement and say that the word I have just used is spelled in at least two ways—f-o-u-l and f-o-w-l.

It is not my purpose at this time to argue the merits of the amendment. I am merely stating what it will do, so that all Members of the Congress in both branches will understand exactly what it will do. It will prohibit employees of the Federal Government, such as district attorneys, collectors of internal revenue, collectors of customs, and the thousands of other employees in clerical positions, from actively participating in politics; and I want it to do that very thing. It will prevent all these employees from going as delegates to conventions, and I want it to do that very thing; because if there has ever been an abuse of patronage in the history of the country, it has been in the packing of political conventions by political employees.

On that subject I shall have more to say, if necessary, when the amendment reaches the floor.

I do not think it is necessary at this time for me to say more. I have explained what the amendment will do. I have said that I hope the House of Representatives will bring the bill out of committee and act on it, and that it will be unnecessary to submit it again to the Senate of the United States. But in order that it may be certain that some of the criticisms which have been made against the bill, which I do not think are well-founded, may be met, I will say that never have I construed the term "Federal employee" as including the high and dignified office of the President of the United States, a member of his Cabinet, or a Member of Congress; and I think it reflects but little credit upon those high offices and but little credit upon those who fill them to say that those officers come within the definition of a Federal employee. Lest they do, however, lest there be some merit to the suggestion, in the amendment I specifically provide that the term "Federal employee" shall not be construed to include the President of the United States, the Vice President, members of the President's Cabinet, members of the office of the President, Members of Congress, or employees of the legislative branch of the Government. Then, to make doubly sure, so that no person can say that the bill includes the real policy-making officials who ought to carry in a political campaign the burden and the brunt of the policies of the administration which they support, I have added a further provision. This provision specifically declares that all policy-making officials are not included within the terms of the bill, and it defines who are policy-making officials.

I have made this brief explanation; and I hope, as I have expressed the hope before that it will not be necessary again ever to mention this subject on the floor of the Senate. I hope the House of Representatives will act quickly, and will act in a way in which I have always credited the other branch of Congress with acting in an efficient and also in a patriotic manner.

STABILIZATION FUND AND WEIGHT OF THE DOLLAR

The Senate resumed the consideration of the bill (H. R. 3325) to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised.

COPPER

Mr. ASHURST. Mr. President, at some unrecorded place, on an indefinite day during what we call the later Stone Age, which began somewhere on the stream of time about 10,000 years ago—your guess as to when it began will be as nearly accurate as mine—women commenced the domestication of plants and animals and discovered the processes of baking, brewing, and weaving. On another indefinite day of the later stone age some man, exhausted from dragging with great friction his quarry or other burden along the ground with a sledge, made one of the most brilliant of all inventions—the wheel.

During the same remote and uncertain later Stone Age some shaggy man picked up a piece of red rock, and from it made a discovery and an invention that ultimately gave to the human race the key—a key of copper—to the kingdom of the arts, industries, communication, transportation, and the material sciences. This piece of red rock seemed to our shaggy man serviceable as a knife or a spear; and this primitive artisan, this embryo scientist, possessing an inquiring turn of mind, in trying to shape the edge of his red rock, found out that this particular rock was a metal that gave way beneath the blows of his stone hammer, and, without breaking, could be bent into any desired form.

If we allow our imagination to make a far-flung excursion, we may well picture with what pride this prehistoric man exhibited his crudely fashioned copper knife or spear among his fellow tribesmen; for the red rock was indeed copper. He was probably regarded as a crank "touched in the head" for attempting to use a metal knife or metal spearhead instead of stone, which had served for generations; but he tremendously influenced the tides of human destiny.

No patent laws of that period gave protection to the discoverers of baking, brewing, and weaving, the domestication of plants and animals, to the inventor of the wheel, or to the discoverer of copper. No chronicle recorded the names of the anonymous benefactors of the human race who made these early discoveries. They are, like our own Unknown Soldier, namelessly immortal, and will probably continue to be nameless.

Copper derived its earliest fame, according to pagan mythology, from the partiality of Venus for this metal—Venus in Greek was Aphrodite—for when Venus rose from the sea somewhere near the island of Cyprus, she asked for a mirror that she might see for herself the reason why all praised her beauty. Only two metals, gold and copper, were supposed to be known at that time out of which a mirror could be made. Venus refused the golden mirror, as it cast a yellow tinge upon the reflection of her countenance, but accepted the copper mirror, as it brightened her titian locks. Thus the word "cyprium," from this island, became the word "cuprum" to the Roman, and copper to the English tongue.

From the dawn of history until the end of the medieval period, copper was the world's most important metal; then iron and steel were the favorites until about the middle of the nineteenth century, when, owing to the application of electricity, copper entered a rejuvenation, and neither imagination nor science is able to foresee a suitable substitute for copper in the electrical field.

Copper is the metal in which the current is born in the generator. Through copper bars and the copper windings of transformers the electricity passes to high-tension transmission lines, which distribute the electrical energy for its ultimate use.

Copper has numerous assets, values, and attributes, and among them are its capacity for conducting heat, its electrical conductivity, its extreme ductility, its malleability, its high tenacity, its tensile strength, its ability to alloy with other metals, its artistic color and its luster, its quality of withstanding corrosion.

When long exposed to air and moisture, it has the wizardry—so far as I know, possessed by no other metal—to create for itself a beautiful protective skin highly esteemed by artists and architects, namely, a greenish or bluish tint called verdigris, Grecian green, "patina," which some municipal authorities unwisely remove, for after copper has given itself this beautiful covering of verdigris, which protects it from oxidation, it will endure for thousands of years in air or in damp soil, and long after iron implements have rotted and are but a heap of dust.

There are metallurgists who deny copper's commonly accepted priority of discovery among metals, and they argue, but with meager evidence, that iron was isolated equally as early as copper and probably anterior to copper. Be this as it may, copper is supreme among the common metals in its everlasting qualities. It is an element native and free. It is permanent and invincible and survives whether in water, earth, or air.

Copper is a good mixer and is the willing, handsome, efficient, ever-dependable servant of electricity. It is so versatile that the ancient alchemists called it the meretricious metal. It enlarges its field of usefulness by alliances with other metals. Tin gives it the hardness of bronze. Zinc gives it the glitter of brass. The precious metals, gold and silver, in their proudest service as coins and jewelry, gain strength and endurance by combination with copper.

As the servant of electricity in sending energy from place to place, copper is unsurpassed by any other metal, with the possible exception of silver, but even a silver wire has only 6 percent more efficiency than a copper wire.

Copious data on copper may be obtained by reading the volume *The Story of Copper*, by Watson Davis, C. E.

Throughout the world there are many famous structures with copper roofs that are centuries old. These copper roofs give eloquent testimony to the durability of copper. In this country the oldest copper roof is that which was applied to Christ Church in Philadelphia over 200 years ago.

Copper roofs, gutters, and downspouts provide a leak-proof and lasting protecting against sun, sleet, snow, and rain.

Bronze vessels buried in the earth for a thousand years endure and become pure blue. Bronze vessels buried in the water for a thousand years endure and become pure green and glossy as jade. Bronze is a combination of copper and tin.

The Serpentine Column, one of the most famous of ancient monuments, may be seen in Constantinople, now called Istanbul. This column of bronze was part of the booty taken by Themistocles in his victory over the Persians somewhere between 497 B. C. and 479 B. C. It is worth while to note that the foundry work of this column is remarkable in view of the remote date in which it was made, but the ancients were familiar with the imperishable quality of copper.

On an island in the Aegean Sea once stood the Colossus of Rhodes, which towered 112 feet above the water. This statue was one of the seven wonders of the world. The Colossus was a nude bronze Apollo, who stood with a torch uplifted in his right hand. There was a curious medieval tradition that the statue straddled the harbor so that ships passed between its enormous legs; but this is not so. Not only would no Greek sculptor design Apollo in this ridiculous attitude but the engineering problem of erecting so vast a mass of bronze on a rock in the sea was sufficiently difficult without added complications.

The Colossus stood only for the space of 56 years—from 280 B. C. to 224 B. C. In that year an earthquake brought Apollo crashing into the sea, where he lay for 900 years. Pliny saw this mass of bronze lying at the entrance to the harbor when he visited the island in the first century A. D.

Even as it lies—

Wrote Pliny—

It excites our wonder and imagination. Few men can clasp the thumb in their arms, and the fingers are larger than most statues.

When the Saracens took Rhodes in 672 A. D. they sold the statue as scrap metal, and this bronze Apollo, which had for 900 years resisted the tooth of time and the corroding canker of the sea, was taken away by a merchant, who salvaged 900 tons of the bronze, or 1,000 camel loads, and the bronze was probably made into weapons of war.

In the year 1911, at a luncheon tendered in New York City to Thomas Alva Edison, inventor of inventions, the world's most famous physicist, whose incandescent lamp bathed all civilization in a flood of light, Mr. Edison was asked the question as to what of all things he most desired to possess. Mr. Edison in reply asked that he be given a true, 1-foot cube of copper.

Forthwith casting of a true 1-foot cube of copper was undertaken, and was finally presented to Mr. Edison, who prized the cube above the many hundreds of medals and other tokens he had received in recognition of his work.

Mr. Edison's extraordinary satisfaction with this unique gift was because copper was symbolic of the generation and distribution of electrical energy, and the increased employment in so many industries which had sprung from his inventions.

At West Orange, in New Jersey, is the ivy-covered laboratory of the late Thomas A. Edison. Here may be found, in a place of honor, this cubic foot of copper.

Mr. President, in the copper mines of the United States for the year 1937 there were employed 24,900 persons; in the copper smelters, mills, plants, and auxiliary works there were employed 22,315 persons, making a total of 47,215. These 47,215 employed persons subsisted about half a million persons.

It may be interesting to the Senate and the country to know the copper yield of Arizona, the premier copper-producing State.

Arizona's copper yield, 1874 to 1939

Produced, in round numbers..... \$2,816,000,000

How expended (round numbers):

Wages and salaries.....	938,000,000
Supplies and equipment.....	586,000,000
Taxes (State and Federal).....	251,000,000

How expended (round numbers):

Freight on copper.....	\$157,000,000
Refining.....	173,000,000
Selling.....	34,000,000
Insurance, replacements, etc.....	130,000,000
Dividends.....	547,000,000

2,816,000,000

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LUCAS in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

Mr. PITTMAN, from the Committee on Foreign Relations, reported without reservation, the following conventions and submitted reports thereon:

Executive C, Seventy-fourth Congress, second session, a convention between the United States of America and the Republic of Panama, for the regulation of radio communications in the Republic of Panama and the Canal Zone, signed at Washington on March 2, 1936 (Ex. Rept. No. 6);

Executive D, Seventy-fourth Congress, second session, a convention between the United States of America and the Republic of Panama, providing for the transfer to Panama of two naval radio stations, signed at Washington on March 2, 1936 (Ex. Rept. No. 7); and

Executive E, Seventy-fourth Congress, second session, a convention between the United States of America and the Republic of Panama, with regard to the construction of a trans-Isthmian highway between the cities of Panama and Colon, signed at Washington on March 2, 1936 (Ex. Rept. No. 8).

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

NOMINATION OF ARCHIBALD MAC LEISH

Mr. BARBOUR. Mr. President, yesterday while the Senate was in executive session the name of Mr. Archibald MacLeish, nominated to be Librarian of Congress, was reached on the calendar, and I understand the nomination went over.

I rise now because I find myself in considerable distress and concern as to this nomination by reason of the fact that on the one hand Mr. MacLeish has been very highly recommended by certain of my friends, and one in particular whose recommendation carries the greatest possible weight with me. On the other hand, however, a distinguished colleague and friend of mine in the House of Representatives, Representative J. PARNELL THOMAS, of New Jersey, who is a member of the so-called Dies committee, has drawn my attention to a speech of his which appears in the Appendix of the CONGRESSIONAL RECORD at page 2613.

Mr. President, I feel I must commend, if I may, to the careful attention of the distinguished leader of the majority, who is also chairman of the Committee on the Library of the Senate, this address of my colleague.

Certainly I would be the last to wish to condemn or cast suspicion on anyone unfairly or unheard; but I would not feel, under the circumstances, that I could do otherwise than object at least to the immediate consideration of the nomination of Mr. MacLeish, certainly until I knew more about the very grave charges which appear in this speech of my colleague from New Jersey, Representative THOMAS, whose opinions I hold in highest esteem and respect.

I hope, therefore, that the distinguished Senator from Kentucky might be able, now or later, perhaps based on the

discussions, if any, which took place in the Committee on the Library, or after reading my colleague's speech, to throw more light on this matter. If he has not had an opportunity to study my colleague's speech, I beg to suggest, if I may take the liberty of doing so, that he study it carefully and make himself familiar with its very serious contents.

Mr. BARKLEY. Mr. President, this nomination was reached on the calendar yesterday in the regular order, and while I had hoped that it might be passed upon and Mr. MacLeish might be confirmed, at the request of the Senator from Vermont [Mr. AUSTIN] the nomination went over.

I have conferred with the Senator from Vermont [Mr. AUSTIN] again about the matter, and he indicates that there may be some desire to discuss this nomination when we have an opportunity to do so. If it is to be discussed, when it is under consideration in executive session I suppose the remarks made by the Member of the House of Representatives from New Jersey [Mr. THOMAS] may be adverted to and discussed.

However, I will say to the Senator from New Jersey now that the Member of the House who made those remarks made no request to be permitted to appear before the Committee on the Library to sustain any of the implications contained in his remarks, and the Senator from Oregon [Mr. McNARY], who is a member of the Committee on the Library, had a copy of the newspaper release of Representative THOMAS on the same subject, which was substantially what he said in the House, and interrogated Mr. MacLeish somewhat at length and in detail with respect to the statements made by Mr. THOMAS. I can assure the Senator that Mr. MacLeish was able to convince the committee that there was no substance in the accusations or charges or implications contained in the remarks made in the House.

Mr. MacLeish occupies at this time a relationship with Harvard University. He has been an associate editor of Fortune Magazine. He has been a writer. He has been a lawyer actively engaged in the practice of law in the city of Boston, where he was a member of one of the outstanding firms there. He left that firm and left the practice of law because he wanted to devote his life to literature and not to law.

In his capacity as a teacher and as an associate editor, and as a publicist he presided over a meeting or two, at which it was his duty to introduce speakers. It so happened that one of those he introduced was Mr. Earl Browder, who happens to be a Communist. He introduced other speakers on the same occasion in his capacity as presiding officer of that meeting, but he specifically and categorically denied, and I will say he did so rather earnestly, if not vehemently, the implication, or suspicion, or whatever one may see fit to call it, contained in the speech made in the House which referred to Mr. MacLeish as a "fellow traveler." I believe it was said, with Communists. The speech was based very largely upon the introduction of Mr. Browder in this public meeting, and also upon an article which Mr. MacLeish had written for another publication, which was lifted out of that publication and published in a magazine called the New Masses, which, while publishing the article which had been written for entirely different publication, had subsequently criticized Mr. MacLeish very severely for the attitude he takes upon the fundamental principles of the communistic theory.

I think the article referred to in the speech was a little unfair in that it lifted out of the context a sentence or two, and an effort was made to twist the meaning of those sentences into something that sounded bad, whereas the reading of the entire address as well as the articles which Mr. MacLeish has written for magazines, and also his book, I think will convince any fair-minded man that there is no basis whatever for the complaint made by Representative THOMAS.

Mr. BARBOUR. Mr. President, I am very grateful to the distinguished Senator from Kentucky for his characteristic willingness to meet any question that any of his colleagues

might raise. I take it, Mr. President, that the Senator does not intend to press the confirmation of the nomination now.

Mr. BARKLEY. Mr. President, in view of the request of the Senator from Vermont [Mr. AUSTIN] that it not be pressed this afternoon, and his statement that probably other Senators may want to discuss the nomination, I would not want to press it today.

While I am on my feet, and in response to the Senator, I wish to say that the hearing before the Committee on the Library was an informal hearing. We first invited Mr. MacLeish. Inasmuch as the committee represented the Senate, and especially inasmuch as the Library is the Library of Congress, an institution in which Congress takes a pride, and rightfully so, I think, one of the agencies and instruments of Congress not only for the gathering of information for itself but for all the Government, and for the public also, we desired to have Mr. MacLeish come before us, and he came and answered all questions frankly. He made a very decidedly good impression, I will say, on all the members of the committee, including the minority leader, who is a member of the committee. When he had finished his statement it was suggested by the Senator from Oregon [Mr. McNARY], inasmuch as the American Library Association had protested against the appointment on the ground that Mr. MacLeish is not a trained professional librarian, that we invite members of that organization or representatives of that organization to appear before the committee and give their views.

In response to that suggestion I sent a telegram to the president of the American Library Association, but because of the fact that he was leaving for San Francisco to attend the annual convention of that organization, he sent a former president and a distinguished member of the executive committee of the American Library Association to Washington, and they appeared before the Library Committee 3 or 4 days ago. They started out by saying that the only objection they had to the appointment was that Mr. MacLeish is not a professional librarian.

Mr. President, there sits here on the floor the distinguished Senator from New Hampshire [Mr. TOWER], who is a member of the Committee on the Library, who was present at the time, and I think he will corroborate my statement that these two gentlemen representing the American Library Association in the very beginning of their statements said they had no objection to Mr. MacLeish; they had no charges to make; they acknowledged the scholarship, the ability, and the high character of Mr. MacLeish; but they did object to the appointment on the ground that they felt that a trained professional librarian should have been selected rather than somebody who was not.

Mr. AUSTIN. Mr. President, will the Senator yield so I may ask a question at this point?

Mr. BARBOUR. I yield.

Mr. AUSTIN. Did the distinguished Senator from Kentucky receive from that organization in convention, a convention of 1,411 librarians in California, a communication this morning with respect to this appointment?

Mr. BARKLEY. Mr. President, I have not had time to read it, but I did get a communication from Mr. Ferguson this morning which purported to represent a petition signed by several hundred librarians in attendance at the convention, which is in line with the individual protests which I had received from members of the American Library Association. I have not yet had a chance to read it, but I think that must be the document which I received today.

Mr. BARBOUR. Mr. President, I will not delay the Senate longer. I simply wish to say, as I said at the outset, that Mr. MacLeish has been recommended to me very highly, especially by a close friend of mine whose opinion I esteem very greatly. I am sure the Senator from Kentucky knows, too, that I have the very greatest confidence in what he says. On the other hand, Mr. President, I have greatest confidence also in my colleague, who in his speech which was printed in the RECORD, to which I referred, makes very specific and definite and damaging charges.

So, as I said, I am glad that the matter is going to receive further attention. I feel that in fairness to all, especially Mr. MacLeish himself, this should be so.

Mr. BARKLEY. Mr. President, will the Senator refresh my recollection by giving me the date of the CONGRESSIONAL RECORD in which that speech appears?

Mr. BARBOUR. Yes, Mr. President. It is the Appendix of the CONGRESSIONAL RECORD, page 2613.

Mr. MALONEY. Mr. President, I am very hopeful that the consideration of this nomination of a distinguished man will not be very long postponed, and I am not going to delay the Senate in discussing the matter now. I do, however, respectfully warn Members of the Senate of the great danger involved in charging communism or some alien connection to a prominent American, or to any American.

I do not have the pleasure of knowing Mr. MacLeish, but he comes from my State. I am familiar with his brilliant record and his unusual attainments. I think that members of the library association of the country have a perfect right to protest his appointment on the ground that he is not a trained librarian, but the argument they offer does not have great weight with me. I think that he will lend dignity to the Library. I think that, without such especial training, his love of the artistry that goes with the Library, and his especial love of literature, coupled with a natural brilliance, qualifies him. I think, if his nomination is confirmed, and I expect it will be, that he will reflect credit upon the Senate, and the President of the United States, and will bring greater glory to the world's greatest Library.

The thing which concerns me most, Mr. President, is the veiled inference that the gentleman is communistically inclined. I am hateful of communistic teachings and practices, but I sympathize with the position of Mr. MacLeish in introducing Mr. Browder. I am as anxious as a man could be—hateful as I am of their philosophy—that members of the Communist Party or any other party have a full and complete opportunity to be heard.

However, the danger I see in referring to a man such as Mr. MacLeish as a "fellow traveler of Communists" is that when the pagan philosophy of communism does creep more forcibly toward us we will not recognize it, because of charges so frequently and so carelessly made about men of liberal mind and tolerant viewpoint.

I do not believe there will be any such charge in the Senate; nor would I be among those to delay or attempt to set aside a sincere discussion of this particular reference to Mr. MacLeish. I do want to admonish Senators that it is a serious undertaking and it involves a man's greatest possession—his character. We should not lend our positions or our forum to a lightly conceived charge against a brilliant and patriotic American, and a great soldier, as is Mr. MacLeish, by giving too sympathetic attention to thoughtless statements by careless men.

With one of his views I am not in accord, but in his record I rejoice. I have had protests about his nomination, and from prominent people. One protest was from a distinguished American, who is likewise brilliant, but as I searched for information about Mr. MacLeish, and I already knew much about him, my admiration increased. I honestly feel that one day we will all be proud of the selection.

Mr. BARKLEY. Mr. President, I appreciate the sincerity of my friend from New Jersey [Mr. BARBOUR] in the remarks he has made in connection with the nomination of Mr. MacLeish; and I deeply appreciate what the Senator from Connecticut [Mr. MALONEY] has said in that connection.

I will say to the Senate that when Dr. Putnam, who had been the Librarian of Congress for 40 years, was retired a year or so ago by reason of an act of Congress which made him the Librarian Emeritus and which provided for the appointment of an active successor, of course, many scholars and eminent men throughout the country very naturally had a right to, and did, aspire to the position. I myself presented to the President the name of a distinguished man and urged his appointment. The American Library Association as an organization recommended to the President its secretary, and urged his appointment to the position.

The President, I think very properly, paid no attention to politics. I do not know what the political faith of Mr. MacLeish is. I do not know whether he is a Democrat or a Republican or whether he is an independent. I think he is a liberal in his political views. So am I.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MALONEY. At this point I should like to say that I am not familiar with the politics of Mr. MacLeish, although he comes from my State. However, I should like to take the opportunity to say that I am entirely in disagreement with one of his political opinions recently expressed. That, however, is not sufficient reason to keep me from voting for his confirmation as Librarian of Congress.

Mr. BARKLEY. Mr. President, it took quite a long time to search the country and find a man who, the President thought, had as nearly as possible the qualifications for the position of Librarian of Congress. Mr. MacLeish was not an applicant for the appointment. He was as much surprised as was any one else in the United States when the President advised him that he had his name under consideration, and asked him to come down and talk the matter over. So the appointment was not a political appointment. It was based entirely upon scholarship and the attainments, the vision, and the general attitude of this man toward the functions of the great Library, not only as an agent of the Government of the United States and of Congress, but as an agent for the dissemination of knowledge and information, and for the utilization of all the accumulated wisdom that we have been able to assemble in the Library of Congress for the benefit of the American people.

The Senator referred to Mr. MacLeish as a great soldier. He is. I do not know that that fact qualifies or disqualifies the applicant, because many great soldiers probably would not be considered for the position of Librarian of Congress. However, it so happens that Mr. MacLeish was a very patriotic and creditable soldier. He had a fine record in the World War.

Mr. MALONEY. Mr. President, I was not mentioning his qualifications as a soldier in connection with the appointment. I was mentioning them only in connection with the question raised concerning his Americanism.

Mr. BARKLEY. I appreciate that.

Whether the possession of long experience as a librarian in a local library in some town is a necessary qualification to preside over the Library of Congress is a matter about which men may honestly differ. However, I think what the President had in mind was not to obtain a cataloger of books. The Library probably has all the catalogers it needs. It was not the purpose merely to obtain even a man who knew what books ought to be added to the Library. Probably the experts in the Library are as well qualified as any librarian could be to recommend additional literature to be added to the Library.

It seems to me the President was in search of a man of well-rounded scholarship and experience, with a broad-minded attitude toward the problems of the American people; a man who not only could make the Library an institution or an instrument for the advancement of knowledge, but could make its facilities available to the American people, not only in the operation of their Government, but in their approach to social, economic, and political problems as well as literary and other problems which are supposed to be met by a great institution such as the Library of Congress.

Congress takes a pardonable pride in the Library of Congress. We regard it as a child of Congress. From time to time suggestions have been made that we change its name. I do not believe Congress will ever consent to changing the name of the institution. It has grown to be one of the greatest libraries in the world, and I would be the last one to want to put at the head of it any man who would in any way detract from its great usefulness, or who did not possess the qualifications and the desire and the urge to advance it and to make it, from year to year and from decade to

decade, a great institution, which Congress wants it to be, and which we believe it is.

I believe Mr. MacLeish will be the sort of librarian we need. I hope we can set a time within the next few days to take up his nomination in executive session and consider it, and that we may act upon it in such a way as not to arouse in the minds of the American people any suspicion or fear that the right man has not been chosen for the highly executive position of Librarian of Congress.

Mr. President, it was not my purpose to discuss this matter at this time; but, inasmuch as the Senator from New Jersey [Mr. BARBOUR] asked me certain questions, I felt that I ought to say this much. I will say to the Senator from Vermont [Mr. AUSTIN] that I hope within the next day or two we can fix a time at which we can take up the nomination and dispose of it.

Mr. AUSTIN. Mr. President, it is not my purpose to delay this matter beyond a reasonable time. In fact, all I desire to do is to give those who have already indicated to me that they desire to be heard an opportunity to be heard.

Mr. BARKLEY. Of course I have no desire to deny any Member of the Senate the right to express himself on the nomination. I agree with the Senator from Connecticut [Mr. MALONEY] that it would be unfortunate if there were any great delay in obtaining action upon the nomination.

FEDERAL POWER COMMISSION

The PRESIDING OFFICER. If there be no further reports of committee, the clerk will state the nominations on the Calendar.

The legislative clerk read the nomination of Leland Olds to be a member of the Federal Power Commission.

Mr. WHITE. Mr. President, as a member of the Interstate Commerce Committee, yesterday afternoon I acquiesced in the favorable report of this nomination. This afternoon I was requested by a representative of an organization in the State of New York to ask that consideration of the nomination go over. The Senator from New York [Mr. WAGNER] and the Senator from Indiana [Mr. MINTON] have both called my attention to the fact that the term of the present member of the Commission expires this day, and that if action on the nomination should be delayed, a vacancy would be created in the Commission. I am not willing to contribute to the creation of a vacancy by asking for any delay in this matter.

I merely wished to make that brief explanation.

Mr. WAGNER. Mr. President, I thank the Senator for the attitude he has taken in this matter. I merely wish to say that we are now confirming an unusually well-qualified man for this particular office. He has served with distinction in New York and throughout the country.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WAGNER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination of Mr. Olds.

The PRESIDING OFFICER. Without objection, the President will be notified.

THE JUDICIARY—LIBRARY OF CONGRESS

Mr. BARKLEY. Mr. President, the nomination of William S. Boyle, to be United States attorney for the district of Nevada, was not read. I ask that that nomination, together with the nomination of Mr. Archibald MacLeish to be Librarian of Congress, go over.

The PRESIDING OFFICER. Without objection, the nominations referred to will be passed over.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection the nominations of postmasters are confirmed en bloc.

That concludes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate recess until tomorrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until tomorrow, Friday, June 23, 1939, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 22, 1939

DIPLOMATIC AND FOREIGN SERVICE

Paul H. Alling, of Connecticut, to be a Foreign Service officer of class 4, a consul, and a secretary in the Diplomatic Service of the United States of America.

COLLECTOR OF CUSTOMS

Leo E. Trombly, of New York, to be collector of customs for customs collection district No. 7, with headquarters at Ogdensburg, N. Y. (Reappointment.)

APPOINTMENTS AND PROMOTIONS IN THE NAVY

MARINE CORPS

Maj. Lewis B. Reagan to be a lieutenant colonel in the Marine Corps from the 1st day of April 1939.

Second Lt. John W. Graham to be a first lieutenant in the Marine Corps from the 4th day of June 1939.

The following-named citizens to be second lieutenants in the Marine Corps from the 1st day of July 1939:

Theodore F. Beeman, a citizen of North Dakota.

Warner T. Bigger, a citizen of Florida.

Wyatt B. Carneal, Jr., a citizen of Virginia.

Donald B. Cooley, Jr., a citizen of Tennessee.

Justin G. Duryea, a citizen of New York.

William O. Gall, a citizen of Ohio.

George F. Gober, a citizen of Mississippi.

George V. Hanna, Jr., a citizen of North Carolina.

Edwin R. Harper, a citizen of Pennsylvania.

Raymond D. Hill, a citizen of Alabama.

Sidney F. Jenkins, a citizen of California.

Lewis A. Jones, a citizen of Maryland.

Joseph W. Kean, Jr., a citizen of California.

Lorys J. Larson, a citizen of South Dakota.

Glenn R. Long, a citizen of Kansas.

Julian V. Lyon, a citizen of North Carolina.

Samuel D. Mandeville, Jr., a citizen of Georgia.

Louis J. Nissen, Jr., a citizen of California.

William B. Oldfield, a citizen of Oklahoma.

Wilfred L. Park, a citizen of Kansas.

Robert S. Riddell, a citizen of South Dakota.

John E. Riebe, a citizen of North Dakota.

Charles A. Rigaud, a citizen of New York.

Elliott B. Robertson, a citizen of Maryland.

Harold S. Roise, a citizen of Idaho.

Joseph Schmedding, a citizen of California.

Deryle N. Seely, a citizen of Washington.

Cecil W. Shuler, a citizen of South Carolina.

William F. Spang, a citizen of New Jersey.

Richard D. Strickler, a citizen of Virginia.

Carl L. Suhrstedt, a citizen of South Carolina.

William G. Thrash, a citizen of Georgia.

Boyd O. Whitney, a citizen of Oregon.

POSTMASTERS

ALABAMA

William L. Mason to be postmaster at Attalla, Ala., in place of W. L. Mason. Incumbent's commission expired May 15, 1939.

Charlie L. Harris to be postmaster at Blountsville, Ala., in place of C. L. Harris. Incumbent's commission expired June 1, 1939.

Mabel C. Leigh to be postmaster at Brewton, Ala., in place of M. C. Leigh. Incumbent's commission expired January 22, 1939.

Herman L. Upshaw to be postmaster at Eufaula, Ala., in place of H. L. Upshaw. Incumbent's commission expired May 2, 1939.

Clayton C. Baldwin to be postmaster at Fairhope, Ala., in place of C. C. Baldwin. Incumbent's commission expired January 22, 1939.

ARIZONA

John B. Boone to be postmaster at Coolidge, Ariz., in place of J. B. Boone. Incumbent's commission expired March 23, 1939.

ARKANSAS

Ewilda M. Robinson to be postmaster at Little Rock, Ark., in place of C. C. Kavanaugh, deceased.

CALIFORNIA

William J. Beadle to be postmaster at Alhambra, Calif., in place of W. J. Beadle. Incumbent's commission expired April 17, 1939.

Betty M. West to be postmaster at Nevada City, Calif., in place of B. M. West. Incumbent's commission expired February 9, 1939.

James R. Simmons to be postmaster at Pismo Beach, Calif., in place of J. R. Simmons. Incumbent's commission expired March 19, 1939.

Harry A. McBride to be postmaster at Pittsburg, Calif., in place of H. A. McBride. Incumbent's commission expired March 1, 1939.

William H. Smith to be postmaster at Point Arena, Calif., in place of W. H. Smith. Incumbent's commission expired February 9, 1939.

William A. Needham to be postmaster at Rialto, Calif., in place of W. A. Needham. Incumbent's commission expired March 19, 1939.

McBride Smith to be postmaster at Santa Rosa, Calif., in place of E. L. Finley, resigned.

John W. Russel to be postmaster at Tujunga, Calif., in place of J. W. Russel. Incumbent's commission expired March 19, 1939.

COLORADO

Nina M. Weiss to be postmaster at Del Norte, Colo., in place of N. M. Weiss. Incumbent's commission expired June 7, 1939.

James W. McClain to be postmaster at Manzanola, Colo., in place of J. W. McClain. Incumbent's commission expired June 7, 1939.

Townsend W. Monell to be postmaster at Montrose, Colo., in place of T. W. Monell. Incumbent's commission expired January 21, 1939.

James W. Stuart to be postmaster at Pritchett, Colo., in place of J. W. Stuart. Incumbent's commission expired January 21, 1939.

CONNECTICUT

Joseph R. Tyrseck to be postmaster at Montville, Conn., in place of J. R. Tyrseck. Incumbent's commission expired March 28, 1939.

Moses W. Rathbun to be postmaster at Noank, Conn., in place of M. W. Rathbun. Incumbent's commission expired March 19, 1939.

Charles H. Yeager to be postmaster at Rockyhill, Conn., in place of C. H. Yeager. Incumbent's commission expired January 17, 1939.

DELAWARE

Oliver G. Melvin to be postmaster at Frederica, Del., in place of O. G. Melvin. Incumbent's commission expired May 28, 1938.

FLORIDA

Matye E. Mills to be postmaster at Cross City, Fla., in place of M. E. Mills. Incumbent's commission expired March 16, 1939.

John W. Watson to be postmaster at Fort Meade, Fla., in place of J. W. Watson. Incumbent's commission expired June 26, 1939.

Jesse G. Davis to be postmaster at Gainesville, Fla., in place of J. A. Chadwick, deceased.

Edrie V. Strickland to be postmaster at Hallandale, Fla., in place of S. H. Shoenberger, resigned.

Kate T. McDaniel to be postmaster at Milton, Fla., in place of Cason Walker. Incumbent's commission expired January 13, 1938.

William D. Jones to be postmaster at Jacksonville, Fla., in place of W. D. Jones. Incumbent's commission expired May 15, 1938.

John P. Puckett to be postmaster at Perry, Fla., in place of J. P. Puckett. Incumbent's commission expired March 16, 1939.

Fenton M. Prewitt to be postmaster at Plant City, Fla., in place of F. M. Prewitt. Incumbent's commission expired January 17, 1939.

Thomas J. Nobles to be postmaster at Pompano, Fla., in place of T. J. Nobles. Incumbent's commission expired January 17, 1939.

Owen L. Godwin to be postmaster at Sebring, Fla., in place of O. L. Godwin. Incumbent's commission expired March 16, 1939.

GEORGIA

David F. Bruton to be postmaster at Adel, Ga., in place of D. F. Bruton. Incumbent's commission expired January 22, 1939.

Charles R. Brumby to be postmaster at Cedartown, Ga., in place of C. R. Brumby. Incumbent's commission expired June 18, 1939.

Herman E. Malaier to be postmaster at Chattahoochee, Ga., in place of H. E. Malaier. Incumbent's commission expired March 8, 1939.

John A. Baker to be postmaster at Danielsville, Ga., in place of J. A. Baker. Incumbent's commission expired June 1, 1939.

Moses J. Guyton to be postmaster at Dublin, Ga., in place of M. J. Guyton. Incumbent's commission expired March 19, 1939.

Walter G. Hodges to be postmaster at Hartwell, Ga., in place of W. G. Hodges. Incumbent's commission expired May 13, 1939.

Rosa L. Lindsey to be postmaster at Irwinton, Ga., in place of R. L. Lindsey. Incumbent's commission expired January 22, 1939.

Ruth C. Rountree to be postmaster at Lyons, Ga., in place of R. C. Rountree. Incumbent's commission expired March 15, 1938.

Nell Raley to be postmaster at Mitchell, Ga., in place of Nell Raley. Incumbent's commission expired March 19, 1939.

John Gordon Miller, Jr., to be postmaster at Savannah Beach, Ga. Office became Presidential July 1, 1938.

George T. Groover to be postmaster at Statesboro, Ga., in place of G. T. Groover. Incumbent's commission expired February 10, 1938.

Jones R. Arnold to be postmaster at Thomson, Ga., in place of J. R. Arnold. Incumbent's commission expired June 18, 1939.

IDAHO

Pearl Kennedy to be postmaster at Burke, Idaho, in place of Pearl Kennedy. Incumbent's commission expired January 16, 1939.

Clare G. Zimmerman to be postmaster at Emmett, Idaho, in place of J. W. Tyler, deceased.

Ida M. Helton to be postmaster at Homedale, Idaho, in place of I. M. Helton. Incumbent's commission expired February 10, 1938.

William H. Goldsmith to be postmaster at New Plymouth, Idaho, in place of W. H. Goldsmith. Incumbent's commission expired January 16, 1939.

Charles N. Dundas to be postmaster at Pierce, Idaho, in place of C. N. Dundas. Incumbent's commission expired February 18, 1939.

ILLINOIS

William G. Gerbing to be postmaster at Ashland, Ill., in place of W. G. Gerbing. Incumbent's commission expired June 18, 1938.

Roy L. Campbell to be postmaster at Athens, Ill., in place of R. L. Campbell. Incumbent's commission expired May 28, 1938.

Ruth L. Patterson to be postmaster at Bement, Ill., in place of R. L. Patterson. Incumbent's commission expired January 16, 1939.

Leslie W. Hunt to be postmaster at Cambridge, Ill., in place of L. W. Hunt. Incumbent's commission expired January 16, 1939.

Roger M. Tippy to be postmaster at Carterville, Ill., in place of R. M. Tippy. Incumbent's commission expired March 18, 1939.

Ace C. Parris to be postmaster at Champaign, Ill., in place of A. C. Parris. Incumbent's commission expired March 18, 1939.

Edward G. Mochel to be postmaster at Clarendon Hills, Ill., in place of E. G. Mochel. Incumbent's commission expired February 7, 1939.

Martin W. Robertson to be postmaster at Creal Springs, Ill., in place of M. W. Robertson. Incumbent's commission expired May 13, 1939.

Scottie Brown to be postmaster at Edgewood, Ill., in place of Scottie Brown. Incumbent's commission expired March 23, 1939.

John H. Mauzey to be postmaster at Findlay, Ill., in place of J. H. Mauzey. Incumbent's commission expired January 16, 1939.

Henry Earl Ballein to be postmaster at Hanover, Ill., in place of H. E. Ballein. Incumbent's commission expired February 7, 1939.

Lowell R. Murray to be postmaster at Herrick, Ill., in place of L. R. Murray. Incumbent's commission expired January 16, 1939.

Paul H. Sachtleben to be postmaster at Hoyleton, Ill., in place of P. H. Sachtleben. Incumbent's commission expired March 23, 1939.

Florence E. Kelley to be postmaster at Iuka, Ill., in place of F. E. Kelley. Incumbent's commission expired February 7, 1939.

Richard C. Patterson to be postmaster at Johnston City, Ill., in place of R. C. Patterson. Incumbent's commission expired March 18, 1939.

Augustian P. Pope to be postmaster at Kane, Ill., in place of A. P. Pope. Incumbent's commission expired March 18, 1939.

Patrick H. McKeone to be postmaster at Lacon, Ill., in place of P. H. McKeone. Incumbent's commission expired February 7, 1939.

John E. Gorman to be postmaster at Monee, Ill., in place of L. A. Gorman, removed.

George R. Davis to be postmaster at Mount Sterling, Ill., in place of G. R. Davis. Incumbent's commission expired June 18, 1938.

Arthur L. Reinheimer to be postmaster at New Athens, Ill., in place of A. L. Reinheimer. Incumbent's commission expired January 16, 1939.

Andrew J. Eekhoff to be postmaster at Nokomis, Ill., in place of A. J. Eekhoff. Incumbent's commission expired February 15, 1939.

Garnett M. Farthing to be postmaster at Odin, Ill., in place of G. M. Farthing. Incumbent's commission expired February 7, 1939.

Milton O. Harriss to be postmaster at Pinckneyville, Ill., in place of M. O. Harriss. Incumbent's commission expired March 8, 1939.

William D. Steward to be postmaster at Plano, Ill., in place of W. D. Steward. Incumbent's commission expired January 16, 1939.

Alfred H. Barrow to be postmaster at Roodhouse, Ill., in place of A. H. Barrow. Incumbent's commission expired March 8, 1939.

Glenn G. Watson to be postmaster at Roseville, Ill., in place of G. G. Watson. Incumbent's commission expired January 16, 1939.

Joseph E. Pruett to be postmaster at St. Elmo, Ill., in place of J. E. Pruett. Incumbent's commission expired February 7, 1939.

Louis H. Tegtmeyer to be postmaster at Steeleville, Ill., in place of L. H. Tegtmeyer. Incumbent's commission expired March 28, 1939.

Reuben C. Thomason to be postmaster at Tamms, Ill., in place of R. C. Thomason. Incumbent's commission expired March 18, 1939.

Maude B. Youart to be postmaster at Thebes, Ill., in place of M. B. Youart. Incumbent's commission expired March 18, 1939.

Paul H. Rauhoff to be postmaster at Tinley Park, Ill., in place of P. H. Rauhoff. Incumbent's commission expired January 16, 1939.

Joseph J. Morrissey to be postmaster at Utica, Ill., in place of J. J. Morrissey. Incumbent's commission expired February 7, 1939.

Frank Breycha to be postmaster at Villa Park, Ill., in place of Frank Breycha. Incumbent's commission expired March 18, 1939.

Joseph P. Daly to be postmaster at Waukegan, Ill., in place of J. P. Daly. Incumbent's commission expired January 16, 1939.

INDIANA

William W. Houk to be postmaster at Brazil, Ind., in place of W. W. Houk. Incumbent's commission expired January 18, 1939.

Theodore Aldred to be postmaster at Lapel, Ind., in place of E. R. Presser, resigned.

Clement A. Kelsey to be postmaster at Markle, Ind., in place of D. L. Mygrant, deceased.

James R. Morrissey to be postmaster at Peru, Ind., in place of J. R. Morrissey. Incumbent's commission expired January 18, 1939.

Roy E. K. Bowen to be postmaster at Warsaw, Ind., in place of O. B. Kilmer. Incumbent's commission expired January 22, 1935.

IOWA

Mollie J. E. Kachelhoffer to be postmaster at Ackley, Iowa, in place of M. J. E. Kachelhoffer. Incumbent's commission expired February 12, 1939.

William S. Olexa to be postmaster at Batavia, Iowa, in place of W. S. Olexa. Incumbent's commission expired June 18, 1938.

Maude M. Hanna to be postmaster at Burt, Iowa, in place of M. M. Hanna. Incumbent's commission expired February 18, 1939.

John B. Taylor to be postmaster at Centerville, Iowa, in place of J. B. Taylor. Incumbent's commission expired January 18, 1939.

Wilbur H. Fishman to be postmaster at Cherokee, Iowa, in place of W. H. Fishman. Incumbent's commission expired March 14, 1938.

Max B. Bishop to be postmaster at Elkader, Iowa, in place of M. B. Bishop. Incumbent's commission expired May 24, 1938.

Martha E. O'Connor to be postmaster at Gilman, Iowa, in place of M. E. O'Connor. Incumbent's commission expired March 20, 1939.

Frank M. Wheelless to be postmaster at Hopkinton, Iowa, in place of F. M. Wheelless. Incumbent's commission expired February 15, 1938.

Paul J. Kehoe to be postmaster at Manchester, Iowa, in place of P. J. Kehoe. Incumbent's commission expired February 15, 1938.

Anna L. Staudt to be postmaster at Marble Rock, Iowa, in place of A. L. Staudt. Incumbent's commission expired June 18, 1938.

Tracy R. Osborne to be postmaster at New Sharon, Iowa, in place of T. R. Osborne. Incumbent's commission expired January 18, 1939.

Ben Jensen to be postmaster at Onawa, Iowa, in place of Ben Jensen. Incumbent's commission expired January 18, 1939.

Frank H. Peckosh to be postmaster at Oxford Junction, Iowa, in place of F. H. Peckosh. Incumbent's commission expired January 18, 1939.

Andrew M. Simonson to be postmaster at Rolfe, Iowa, in place of A. M. Simonson. Incumbent's commission expired January 18, 1939.

Joseph C. Kinney to be postmaster at Stacyville, Iowa, in place of J. C. Kinney. Incumbent's commission expired May 17, 1938.

Elizabeth M. Hyland to be postmaster at Traer, Iowa, in place of E. M. Hyland. Incumbent's commission expired January 29, 1939.

Walter Ward to be postmaster at Wall Lake, Iowa, in place of Walter Ward. Incumbent's commission expired June 18, 1938.

Teresa V. Moroney to be postmaster at Waukon, Iowa, in place of T. V. Moroney. Incumbent's commission expired June 18, 1938.

Richard Claassen to be postmaster at Wellsburg, Iowa, in place of Richard Claassen. Incumbent's commission expired January 29, 1939.

Hazel H. Gerdes to be postmaster at Wesley, Iowa, in place of H. H. Gerdes. Incumbent's commission expired January 18, 1939.

Ben R. Shine to be postmaster at Winthrop, Iowa, in place of B. R. Shine. Incumbent's commission expired June 18, 1938.

KANSAS

Ruskin R. Couch to be postmaster at Anthony, Kans., in place of R. R. Couch. Incumbent's commission expired January 18, 1939.

Floyd H. Gibbs to be postmaster at Barnard, Kans. Office became Presidential July 1, 1938.

John G. O'Neil to be postmaster at Beattie, Kans., in place of J. G. O'Neil. Incumbent's commission expired January 18, 1939.

Emma C. Strnad to be postmaster at Cuba, Kans., in place of E. C. Strnad. Incumbent's commission expired February 15, 1939.

Vesta Velma McClung to be postmaster at Elkhart, Kans., in place of V. V. McClung. Incumbent's commission expired June 18, 1938.

Fred Sessin to be postmaster at Ellis, Kans., in place of Fred Sessin. Incumbent's commission expired April 27, 1938.

Robert E. Lee to be postmaster at Englewood, Kans., in place of R. E. Lee. Incumbent's commission expired January 18, 1939.

Horace E. Elder to be postmaster at Goodland, Kans., in place of H. E. Elder. Incumbent's commission expired February 15, 1939.

Harold P. Knipe to be postmaster at Grinnell, Kans., in place of H. P. Knipe. Incumbent's commission expired March 23, 1939.

Ila M. Menefee to be postmaster at Hoxie, Kans., in place of I. M. Menefee. Incumbent's commission expired March 23, 1939.

Michael A. Hilgers to be postmaster at Lansing, Kans., in place of M. A. Hilgers. Incumbent's commission expired June 18, 1938.

Hugo E. Lindahl to be postmaster at Lindsborg, Kans., in place of H. T. Lindquist, deceased.

George H. Gill to be postmaster at Raymond, Kans. Office became Presidential July 1, 1938.

Emmett E. Conzelman to be postmaster at Republic, Kans., in place of E. E. Conzelman. Incumbent's commission expired February 15, 1939.

Mary A. Neff to be postmaster at Winona, Kans., in place of M. A. Neff. Incumbent's commission expired March 18, 1939.

KENTUCKY

Hattie R. Tanner to be postmaster at Barlow, Ky., in place of H. R. Tanner. Incumbent's commission expired March 15, 1939.

J. Edgar Moore to be postmaster at Berea, Ky., in place of J. E. Moore. Incumbent's commission expired February 18, 1939.

Newton Sullivan to be postmaster at Burlington, Ky., in place of Newton Sullivan. Incumbent's commission expired May 29, 1939.

Roy Willis to be postmaster at Caneyville, Ky., in place of Roy Willis. Incumbent's commission expired February 18, 1939.

Gena F. Hilliard to be postmaster at Clinton, Ky., in place of G. F. Hilliard. Incumbent's commission expired May 10, 1939.

Dennis L. Sullivan to be postmaster at Corinth, Ky., in place of D. L. Sullivan. Incumbent's commission expired March 19, 1939.

J. Elliott Riddell to be postmaster at Louisville, Ky., in place of J. E. Riddell. Incumbent's commission expired February 18, 1939.

Mary Virginia Garvey to be postmaster at Sanders, Ky., in place of M. V. Garvey. Incumbent's commission expired March 19, 1939.

Beverly L. Bradshaw to be postmaster at Tompkinsville, Ky., in place of B. L. Bradshaw. Incumbent's commission expired February 18, 1939.

Dorothy Crass to be postmaster at Wingo, Ky., in place of O. B. Majors, removed.

LOUISIANA

Charles E. Hearne to be postmaster at Chatham, La. Office became Presidential July 1, 1936.

Mrs. Tommy G. Biggs to be postmaster at Lake Providence, La., in place of L. P. Gross, resigned.

MAINE

John H. McSweeney to be postmaster at Old Orchard Beach, Maine, in place of J. H. McSweeney. Incumbent's commission expired February 13, 1939.

MARYLAND

William H. L. Slade to be postmaster at Reisterstown, Md., in place of W. H. L. Slade. Incumbent's commission expired January 17, 1939.

MASSACHUSETTS

Joseph G. Woodbury to be postmaster at Oxford, Mass., in place of J. G. Woodbury. Incumbent's commission expired January 23, 1939.

MICHIGAN

Frank E. Kroc to be postmaster at Alanson, Mich., in place of F. E. Kroc. Incumbent's commission expired March 21, 1939.

Lewis E. Ledger to be postmaster at Belding, Mich., in place of W. D. Pinkham, resigned.

Roy Winegarden to be postmaster at Boyne City, Mich., in place of Roy Winegarden. Incumbent's commission expired January 16, 1939.

Edna L. Mitchell to be postmaster at Morley, Mich., in place of E. L. Mitchell. Incumbent's commission expired April 26, 1939.

John C. Vaughan to be postmaster at Trout Creek, Mich., in place of J. C. Vaughan. Incumbent's commission expired March 21, 1939.

Jettena Watson to be postmaster at Wolverine, Mich., in place of Jettena Watson. Incumbent's commission expired January 16, 1939.

MISSISSIPPI

Nicie R. Evans to be postmaster at Bassfield, Miss., in place of N. R. Evans. Incumbent's commission expired March 27, 1939.

William C. Bailey to be postmaster at Como, Miss., in place of W. C. Bailey. Incumbent's commission expired January 18, 1939.

Thomas R. Armstrong to be postmaster at Edwards, Miss., in place of T. R. Armstrong. Incumbent's commission expired January 18, 1939.

Louise A. Stephenson to be postmaster at Flora, Miss., in place of L. A. Stephenson. Incumbent's commission expired May 29, 1939.

Harry H. Orr to be postmaster at Holly Springs, Miss., in place of H. H. Orr. Incumbent's commission expired February 15, 1939.

Minnie B. Dubuissou to be postmaster at Long Beach, Miss., in place of M. B. Dubuissou. Incumbent's commission expired March 27, 1939.

Tom W. Crigler, Jr., to be postmaster at Macon, Miss., in place of T. W. Crigler, Jr. Incumbent's commission expired February 15, 1939.

Henry W. Mangum to be postmaster at Mendenhall, Miss., in place of H. W. Mangum. Incumbent's commission expired February 20, 1939.

Bayard K. Culpepper to be postmaster at Meridian, Miss., in place of S. A. Witherspoon. Incumbent's commission expired June 18, 1939.

Effie J. Robins to be postmaster at Rienzi, Miss., in place of E. J. Robins. Incumbent's commission expired January 29, 1939.

Emma D. Barkley to be postmaster at State Line, Miss., in place of E. D. Barkley. Incumbent's commission expired January 18, 1939.

George O. Robinson to be postmaster at Tunica, Miss., in place of G. O. Robinson. Incumbent's commission expired March 7, 1939.

Ernestine Holland to be postmaster at Vance, Miss. Office became Presidential July 1, 1938.

MISSOURI

Mary E. Chambers to be postmaster at Appleton City, Mo., in place of M. E. Chambers. Incumbent's commission expired May 22, 1938.

Giles K. Hunt to be postmaster at Arcadia, Mo., in place of G. K. Hunt. Incumbent's commission expired February 20, 1939.

Herman C. W. Strothmann to be postmaster at Berger, Mo., in place of H. C. W. Strothmann. Incumbent's commission expired February 20, 1939.

John H. Essman to be postmaster at Bourbon, Mo., in place of J. H. Essman. Incumbent's commission expired February 20, 1939.

Angie B. Messbarger to be postmaster at Burlington Junction, Mo., in place of A. B. Messbarger. Incumbent's commission expired February 20, 1939.

Frank F. Page to be postmaster at Canton, Mo., in place of F. F. Page. Incumbent's commission expired February 20, 1939.

Melville C. Shores to be postmaster at Clark, Mo., in place of M. C. Shores. Incumbent's commission expired February 20, 1939.

Elta E. Essig to be postmaster at Clifton Hill, Mo., in place of E. E. Essig. Incumbent's commission expired March 23, 1939.

Harold H. Cash to be postmaster at Curryville, Mo., in place of H. H. Cash. Incumbent's commission expired February 20, 1939.

Richard Pearce to be postmaster at Fairfax, Mo., in place of Richard Pearce. Incumbent's commission expired February 20, 1939.

Joseph V. Cassidy to be postmaster at Herculaneum, Mo., in place of J. V. Cassidy. Incumbent's commission expired February 20, 1939.

Leah B. Diggs to be postmaster at Laddonia, Mo., in place of L. B. Diggs. Incumbent's commission expired February 20, 1939.

Lloyd Dorsey Mitchell to be postmaster at La Grange, Mo., in place of L. D. Mitchell. Incumbent's commission expired April 2, 1939.

Laurence D. Estill to be postmaster at Lawson, Mo., in place of L. D. Estill. Incumbent's commission expired March 23, 1939.

Bryan B. Austin to be postmaster at Licking, Mo., in place of B. B. Austin. Incumbent's commission expired February 20, 1939.

Merlin L. Grannemann to be postmaster at New Haven, Mo., in place of M. L. Grannemann. Incumbent's commission expired April 2, 1939.

Youree Douglas Adair to be postmaster at Odessa, Mo., in place of Y. D. Adair. Incumbent's commission expired March 19, 1939.

Elsie L. Eskridge to be postmaster at Platte City, Mo., in place of E. L. Eskridge. Incumbent's commission expired February 20, 1939.

Ivan Weber to be postmaster at Richmond, Mo., in place of Ivan Weber. Incumbent's commission expired March 23, 1939.

Charles F. Heathman to be postmaster at Smithville, Mo., in place of C. F. Heathman. Incumbent's commission expired February 20, 1939.

Victor V. Long to be postmaster at Waynesville, Mo., in place of V. V. Long. Incumbent's commission expired March 19, 1939.

J. Talmage Loyd to be postmaster at Winona, Mo., in place of J. T. Loyd. Incumbent's commission expired March 19, 1939.

MONTANA

Arthur C. Coulston to be postmaster at Bainville, Mont., in place of A. C. Coulston. Incumbent's commission expired January 17, 1939.

Helen P. Gibb to be postmaster at Belton, Mont., in place of H. P. Gibb. Incumbent's commission expired May 24, 1938.

John W. Huntsberger to be postmaster at Sunburst, Mont., in place of J. W. Huntsberger. Incumbent's commission expired May 24, 1938.

Juanita D. McNeill to be postmaster at Troy, Mont., in place of J. B. Farris, removed.

Clarence N. Simons to be postmaster at Turner, Mont., in place of C. N. Simons. Incumbent's commission expired January 17, 1939.

NEBRASKA

Clara L. Bennett to be postmaster at Broken Bow, Nebr., in place of C. L. Bennett. Incumbent's commission expired January 25, 1939.

Henry G. Andersen to be postmaster at Cozad, Nebr., in place of H. G. Andersen. Incumbent's commission expired April 28, 1938.

Roy E. Sheffer to be postmaster at Gering, Nebr., in place of R. E. Sheffer. Incumbent's commission expired May 29, 1938.

Irving E. Tilgner to be postmaster at Lewellen, Nebr., in place of I. E. Tilgner. Incumbent's commission expired February 9, 1939.

Kathryn V. McCusker to be postmaster at Ogallala, Nebr., in place of K. V. McCusker. Incumbent's commission expired June 14, 1938.

NEW HAMPSHIRE

Edith L. Stillings to be postmaster at Bartlett, N. H., in place of E. L. Stillings. Incumbent's commission expired January 16, 1939.

Effie P. Gibson to be postmaster at Kingston, N. H., in place of E. P. Gibson. Incumbent's commission expired April 27, 1936.

Charles E. Tanner to be postmaster at Milton, N. H., in place of C. E. Tanner. Incumbent's commission expired February 8, 1939.

NEW JERSEY

John M. Timcoe to be postmaster at Bradley Beach, N. J., in place of J. M. Timcoe. Incumbent's commission expired January 28, 1939.

Jacob Garrison to be postmaster at Cape May Court House, N. J., in place of Jacob Garrison. Incumbent's commission expired June 8, 1938.

Mamie R. Stone to be postmaster at Egg Harbor City, N. J., in place of M. R. Stone. Incumbent's commission expired June 12, 1938.

Edward F. McKeever to be postmaster at Englewood, N. J., in place of M. A. Whyard, transferred.

Edward W. Seyler to be postmaster at Fords, N. J., in place of W. J. Maloney, removed.

John L. Cagni to be postmaster at Lavallette, N. J., in place of J. L. Cagni. Incumbent's commission expired January 28, 1939.

Joseph D. Donato to be postmaster at Little Falls, N. J., in place of L. W. Morehouse. Incumbent's commission expired June 1, 1936.

Lucy M. Buckbee to be postmaster at Manahawkin, N. J., in place of L. M. Buckbee. Incumbent's commission expired January 28, 1939.

Joseph J. McNally to be postmaster at Park Ridge, N. J., in place of J. J. McNally. Incumbent's commission expired June 7, 1938.

Anna A. Mullen to be postmaster at Sewaren, N. J., in place of A. A. Mullen. Incumbent's commission expired May 22, 1938.

Clarence Smith to be postmaster at Woodstown, N. J., in place of Clarence Smith. Incumbent's commission expired May 30, 1938.

NEW MEXICO

Charlotte Kohlhausen to be postmaster at Cimarron, N. Mex., in place of Charlotte Kohlhausen. Incumbent's commission expired February 12, 1939.

Major M. Hardin to be postmaster at Hobbs, N. Mex., in place of A. L. Langford. Incumbent's commission expired May 12, 1938.

NEW YORK

Thomas A. O'Neill to be postmaster at Au Sable Forks, N. Y., in place of T. A. O'Neill. Incumbent's commission expired January 24, 1939.

Mary J. O'Brien to be postmaster at Bedford, N. Y., in place of M. J. O'Brien. Incumbent's commission expired January 18, 1936.

Arthur J. Lee to be postmaster at Bellmore, N. Y., in place of A. J. Lee. Incumbent's commission expired January 22, 1939.

Sadie E. Hagan to be postmaster at Bloomingburg, N. Y., in place of S. E. Hagan. Incumbent's commission expired January 21, 1939.

Leroy A. Timmerman to be postmaster at Cairo, N. Y., in place of L. A. Timmerman. Incumbent's commission expired January 22, 1939.

David J. Sheridan to be postmaster at Cambridge, N. Y., in place of D. J. Sheridan. Incumbent's commission expired January 29, 1939.

Carlton A. Daigler to be postmaster at Clarence, N. Y., in place of C. A. Daigler. Incumbent's commission expired April 6, 1939.

George M. Lamb to be postmaster at Coxsackie, N. Y., in place of G. M. Lamb. Incumbent's commission expired January 22, 1939.

George H. Lewis to be postmaster at De Ruyter, N. Y., in place of G. H. Lewis. Incumbent's commission expired January 22, 1939.

Louise P. Danner to be postmaster at East White Plains, N. Y., in place of L. P. Danner. Incumbent's commission expired January 28, 1939.

William E. Dorson to be postmaster at Gowanda, N. Y., in place of W. E. Dorson. Incumbent's commission expired January 24, 1939.

William P. Stevens to be postmaster at Greenville, N. Y., in place of W. P. Stevens. Incumbent's commission expired January 22, 1939.

John Hamill, Sr., to be postmaster at Groton, N. Y., in place of John Hamill, Sr. Incumbent's commission expired February 20, 1938.

J. Frank Schummer to be postmaster at Hamburg, N. Y., in place of J. F. Schummer. Incumbent's commission expired February 18, 1939.

Maurice F. Maloney to be postmaster at Haverstraw, N. Y., in place of M. F. Maloney. Incumbent's commission expired March 7, 1939.

Cort Kramer to be postmaster at Holland, N. Y., in place of Cort Kramer. Incumbent's commission expired January 24, 1939.

Robert A. Dolan to be postmaster at Hunter, N. Y., in place of R. A. Dolan. Incumbent's commission expired January 22, 1939.

Emil J. Bruger to be postmaster at Islip Terrace, N. Y., in place of E. J. Bruger. Incumbent's commission expired January 24, 1939.

Frank C. Ness to be postmaster at Lake Grove, N. Y. Office became Presidential July 1, 1938.

Catherine M. McConnell to be postmaster at Machias, N. Y., in place of C. M. McConnell. Incumbent's commission expired January 24, 1939.

Claude B. Isbell to be postmaster at Mount Upton, N. Y., in place of C. B. Isbell. Incumbent's commission expired January 22, 1939.

John Flinn to be postmaster at New Hyde Park, N. Y., in place of John Flinn. Incumbent's commission expired June 18, 1938.

Benjamin Lomench to be postmaster at North Bellmore, N. Y., in place of Benjamin Lomench. Incumbent's commission expired February 28, 1938.

Anna W. Wohlgemuth to be postmaster at Palatine Bridge, N. Y., in place of A. W. Wohlgemuth. Incumbent's commission expired January 22, 1939.

James H. Vaughn to be postmaster at Perrysburg, N. Y., in place of J. H. Vaughn. Incumbent's commission expired January 24, 1939.

Louis S. Martin to be postmaster at Redwood, N. Y., in place of L. S. Martin. Incumbent's commission expired January 24, 1939.

Edward Fennell to be postmaster at Savannah, N. Y., in place of Edward Fennell. Incumbent's commission expired March 19, 1939.

Mark A. Sweeney to be postmaster at Valley Falls, N. Y., in place of M. A. Sweeney. Incumbent's commission expired January 22, 1939.

Victor J. Banfield to be postmaster at Van Etten, N. Y., in place of V. J. Banfield. Incumbent's commission expired March 23, 1939.

Frank T. More to be postmaster at Walton, N. Y., in place of F. T. More. Incumbent's commission expired February 18, 1939.

NORTH CAROLINA

Mortimer H. Mitchell to be postmaster at Aulander, N. C., in place of M. H. Mitchell. Incumbent's commission expired March 12, 1939.

Howard A. Kerlee to be postmaster at Black Mountain, N. C., in place of H. A. Kerlee. Incumbent's commission expired January 16, 1939.

Robert Lee Bridger to be postmaster at Bladenboro, N. C., in place of R. L. Bridger. Incumbent's commission expired March 12, 1939.

Willard T. Martin to be postmaster at Bryson City, N. C., in place of W. T. Martin. Incumbent's commission expired March 19, 1939.

Richard Homer Andrews to be postmaster at Burlington, N. C., in place of R. H. Andrews. Incumbent's commission expired March 19, 1939.

Lemuel A. Smith to be postmaster at Clarkton, N. C., in place of L. A. Smith. Incumbent's commission expired January 16, 1939.

Robert Andrew Love, Jr., to be postmaster at Cliffside, N. C., in place of R. A. Love, Jr., January 16, 1939.

John K. Clark to be postmaster at Elizabethtown, N. C., in place of J. K. Clark. Incumbent's commission expired January 16, 1939.

Victor O. Tilley to be postmaster at Fuquay Springs, N. C., in place of V. O. Tilley. Incumbent's commission expired January 16, 1939.

Alger R. Henderson to be postmaster at Graham, N. C., in place of A. R. Henderson. Incumbent's commission expired January 16, 1939.

Silas M. Whedbee to be postmaster at Hertford, N. C., in place of J. E. Morris, removed.

Irene I. Morpew to be postmaster at Jefferson, N. C., in place of I. I. Morpew. Incumbent's commission expired January 16, 1939.

Anna D. Moody to be postmaster at Lake Junaluska, N. C., in place of A. D. Moody. Incumbent's commission expired March 19, 1939.

James C. Wright to be postmaster at Landis, N. C., in place of J. C. Wright. Incumbent's commission expired January 16, 1939.

Merrimon D. Lanier to be postmaster at Lillington, N. C., in place of M. D. Lanier. Incumbent's commission expired January 16, 1939.

Clarkie Belle Williams to be postmaster at Maxton, N. C., in place of C. B. Williams. Incumbent's commission expired January 16, 1939.

Clarence A. Pennington to be postmaster at Oteen, N. C., in place of C. A. Pennington. Incumbent's commission expired January 16, 1939.

Sallie F. Matthews to be postmaster at Randleman, N. C., in place of S. F. Matthews. Incumbent's commission expired January 16, 1939.

Ernest B. Satterwhite to be postmaster at Sanatorium, N. C., in place of E. B. Satterwhite. Incumbent's commission expired January 16, 1939.

Wallace B. Stone to be postmaster at Swannanoa, N. C., in place of W. B. Stone. Incumbent's commission expired February 18, 1939.

Charles N. Price to be postmaster at Sylva, N. C., in place of C. N. Price. Incumbent's commission expired January 16, 1939.

Milton J. Sexton to be postmaster at Zebulon, N. C., in place of M. J. Sexton. Incumbent's commission expired January 16, 1939.

NORTH DAKOTA

Benjamin Wright to be postmaster at Antler, N. Dak., in place of Benjamin Wright. Incumbent's commission expired January 18, 1939.

Ralph E. Ulrich to be postmaster at Balfour, N. Dak., in place of R. E. Ulrich. Incumbent's commission expired February 7, 1939.

Robert L. Peterson to be postmaster at Bisbee, N. Dak., in place of R. L. Peterson. Incumbent's commission expired January 18, 1939.

Ernest W. Kibler to be postmaster at Cavalier, N. Dak., in place of E. W. Kibler. Incumbent's commission expired January 18, 1939.

Alice M. Sorlie to be postmaster at Churchs Ferry, N. Dak., in place of A. M. Sorlie. Incumbent's commission expired January 18, 1939.

Mary M. Hoesley to be postmaster at Crystal, N. Dak., in place of M. M. Hoesley. Incumbent's commission expired February 15, 1939.

William F. Moede to be postmaster at Dunn Center, N. Dak., in place of W. F. Moede. Incumbent's commission expired March 23, 1939.

Nels A. Anderson to be postmaster at Finley, N. Dak., in place of N. A. Anderson. Incumbent's commission expired February 7, 1939.

Carl Solberg to be postmaster at Hatton, N. Dak., in place of Carl Solberg. Incumbent's commission expired January 22, 1939.

Eivind L. Semling to be postmaster at Hazelton, N. Dak., in place of E. L. Semling. Incumbent's commission expired January 22, 1939.

Albert E. Funk to be postmaster at Hebron, N. Dak., in place of A. E. Funk. Incumbent's commission expired February 15, 1939.

Alf A. Ringen to be postmaster at Kindred, N. Dak., in place of A. A. Ringen. Incumbent's commission expired February 7, 1939.

Oscar Lange to be postmaster at Kulm, N. Dak., in place of Oscar Lange. Incumbent's commission expired January 18, 1939.

John H. Bellon to be postmaster at Lehr, N. Dak., in place of J. H. Bellon. Incumbent's commission expired January 18, 1939.

Anna M. Wagner to be postmaster at Lidgerwood, N. Dak., in place of A. M. Wagner. Incumbent's commission expired February 7, 1939.

James E. Jones to be postmaster at Lisbon, N. Dak., in place of J. E. Jones. Incumbent's commission expired January 18, 1939.

Frank S. Hudson to be postmaster at Mandan, N. Dak., in place of F. S. Hudson. Incumbent's commission expired January 22, 1939.

William G. McBride to be postmaster at Milton, N. Dak., in place of W. G. McBride. Incumbent's commission expired February 7, 1939.

Peter Meier to be postmaster at Napoleon, N. Dak., in place of Peter Meier. Incumbent's commission expired March 8, 1939.

Sidney A. Smith to be postmaster at Portal, N. Dak., in place of Hugh Roan, deceased.

Joseph G. Kringlie to be postmaster at Portland, N. Dak., in place of J. G. Kringlie. Incumbent's commission expired January 18, 1939.

Paul G. Wagner to be postmaster at Sentinel Butte, N. Dak., in place of P. G. Wagner. Incumbent's commission expired January 18, 1939.

John M. Klein to be postmaster at Strasburg, N. Dak., in place of J. M. Klein. Incumbent's commission expired February 7, 1939.

Grace C. Wheeler to be postmaster at Tower City, N. Dak., in place of G. C. Wheeler. Incumbent's commission expired February 7, 1939.

OHIO

Howard M. Whitehead to be postmaster at Alexandria, Ohio, in place of H. M. Whitehead. Incumbent's commission expired March 15, 1939.

Lata A. Barr to be postmaster at Amanda, Ohio, in place of L. A. Barr. Incumbent's commission expired February 21, 1939.

Fred B. Weaver to be postmaster at Amelia, Ohio, in place of F. B. Weaver. Incumbent's commission expired January 17, 1939.

Fred C. Stultz to be postmaster at Bainbridge, Ohio, in place of F. C. Stultz. Incumbent's commission expired January 17, 1939.

Beulah G. Culp to be postmaster at Baltimore, Ohio, in place of B. G. Culp. Incumbent's commission expired February 12, 1939.

Harry Hamilton to be postmaster at Beallsville, Ohio, in place of Harry Hamilton. Incumbent's commission expired January 17, 1939.

Mollie M. Morrow to be postmaster at Bergholz, Ohio, in place of M. M. Morrow. Incumbent's commission expired February 12, 1939.

John D. Moorehead to be postmaster at Bethel, Ohio, in place of J. D. Moorehead. Incumbent's commission expired February 21, 1939.

Florence B. Nichols to be postmaster at Burton, Ohio, in place of F. B. Nichols. Incumbent's commission expired February 21, 1939.

Ralph W. Litzenberg to be postmaster at Centerburg, Ohio, in place of R. W. Litzenberg. Incumbent's commission expired February 21, 1939.

Samuel B. Maury to be postmaster at Clarington, Ohio, in place of S. B. Maury. Incumbent's commission expired January 17, 1939.

Virgil Davis to be postmaster at Corning, Ohio, in place of Virgil Davis. Incumbent's commission expired February 21, 1939.

Alexander J. Shenk to be postmaster at Delphos, Ohio, in place of A. J. Shenk. Incumbent's commission expired January 17, 1939.

Edgar J. Orvis to be postmaster at Dover Center, Ohio. Office became Presidential July 1, 1938.

Marion D. Freeders to be postmaster at Fairfield, Ohio, in place of M. D. Freeders. Incumbent's commission expired February 21, 1939.

Raymond E. Fissel to be postmaster at Galena, Ohio, in place of R. E. Fissel. Incumbent's commission expired March 15, 1939.

John W. Ritz to be postmaster at Hamler, Ohio, in place of J. W. Ritz. Incumbent's commission expired January 17, 1939.

Frederick B. Mowery to be postmaster at Kingston, Ohio, in place of F. B. Mowery. Incumbent's commission expired February 12, 1939.

Harold E. Ralston to be postmaster at Marengo, Ohio, in place of H. E. Ralston. Incumbent's commission expired January 17, 1939.

Edmund L. Churchill to be postmaster at Metamora, Ohio, in place of E. L. Churchill. Incumbent's commission expired January 17, 1939.

Raymond R. Riehle to be postmaster at Milford, Ohio, in place of R. R. Riehle. Incumbent's commission expired January 17, 1939.

Carl V. Beebe to be postmaster at Mount Gilead, Ohio, in place of C. V. Beebe. Incumbent's commission expired February 12, 1939.

Sister Alice Marie O'Meara to be postmaster at Mount St. Joseph, Ohio, in place of Sister Alice Marie O'Meara. Incumbent's commission expired February 21, 1939.

Herman J. Laut to be postmaster at New Bremen, Ohio, in place of H. J. Laut. Incumbent's commission expired January 17, 1939.

Glenn M. Roller to be postmaster at Ohio City, Ohio, in place of G. M. Roller. Incumbent's commission expired January 17, 1939.

Philip B. Mason to be postmaster at Pickerington, Ohio, in place of P. B. Mason. Incumbent's commission expired March 14, 1938.

Iva A. Falls to be postmaster at Shawnee, Ohio, in place of I. A. Falls. Incumbent's commission expired February 12, 1939.

Elsie S. Shafer to be postmaster at Trenton, Ohio. Office became Presidential July 1, 1938.

Harley C. Brubaker to be postmaster at Waynesburg, Ohio, in place of H. C. Brubaker. Incumbent's commission expired January 17, 1939.

Hattie Dale Hufford to be postmaster at West Mansfield, Ohio, in place of H. D. Hufford. Incumbent's commission expired February 12, 1939.

Raynor R. Newcomb to be postmaster at West Unity, Ohio, in place of R. R. Newcomb. Incumbent's commission expired January 17, 1939.

Hartman W. Staker to be postmaster at Wheelersburg, Ohio, in place of H. W. Staker. Incumbent's commission expired January 17, 1939.

OKLAHOMA

Wilma P. Walcher to be postmaster at Braman, Okla., in place of W. P. Walcher. Incumbent's commission expired June 12, 1938.

Otto M. Morse to be postmaster at Calvin, Okla., in place of O. M. Morse. Incumbent's commission expired January 24, 1939.

Clarence D. Hull to be postmaster at Carnegie, Okla., in place of C. D. Hull. Incumbent's commission expired March 18, 1939.

Foster F. Johnson to be postmaster at Carter, Okla., in place of F. F. Johnson. Incumbent's commission expired January 24, 1939.

Mae Tedlock to be postmaster at Choteau, Okla., in place of Mae Tedlock. Incumbent's commission expired January 24, 1939.

Troy Combs to be postmaster at Davenport, Okla., in place of Troy Combs. Incumbent's commission expired January 24, 1939.

Luther C. Dobbs to be postmaster at Davidson, Okla., in place of L. C. Dobbs. Incumbent's commission expired March 18, 1939.

Edwin B. Minich to be postmaster at Eldorado, Okla., in place of E. B. Minich. Incumbent's commission expired March 14, 1939.

Marvin A. Peacock to be postmaster at Fletcher, Okla., in place of M. A. Peacock. Incumbent's commission expired March 15, 1939.

Fred L. Burrow to be postmaster at Gage, Okla., in place of F. L. Burrow. Incumbent's commission expired January 24, 1939.

James Roy Clem to be postmaster at Granite, Okla., in place of J. R. Clem. Incumbent's commission expired January 24, 1939.

Theodore S. Hawkins to be postmaster at Hitchcock, Okla., in place of T. S. Hawkins. Incumbent's commission expired January 24, 1939.

John W. Heinen to be postmaster at Okarche, Okla., in place of J. W. Heinen. Incumbent's commission expired January 24, 1939.

Joe B. Steele to be postmaster at Ringling, Okla., in place of J. B. Steele. Incumbent's commission expired March 18, 1939.

Hugh Ferguson to be postmaster at Rocky, Okla., in place of Hugh Ferguson. Incumbent's commission expired January 24, 1939.

William W. Powell to be postmaster at Salina, Okla., in place of W. W. Powell. Incumbent's commission expired January 24, 1939.

Vernie A. Oates to be postmaster at Shattuck, Okla., in place of V. A. Oates. Incumbent's commission expired January 24, 1939.

OREGON

Neta Daly to be postmaster at Beaverton, Oreg., in place of Neta Daly. Incumbent's commission expired January 18, 1939.

Grace M. Ely to be postmaster at Gladstone, Oreg., in place of G. M. Ely. Incumbent's commission expired January 18, 1939.

Alice J. Nebel to be postmaster at Glendale, Oreg., in place of A. J. Nebel. Incumbent's commission expired January 18, 1939.

Vincent Byram to be postmaster at Gold Beach, Oreg., in place of Vincent Byram. Incumbent's commission expired March 19, 1939.

Charles B. Cox to be postmaster at Heppner, Oreg., in place of C. B. Cox. Incumbent's commission expired February 9, 1939.

Margaret Marie Anderson to be postmaster at Jordan Valley, Oreg., in place of M. M. Anderson. Incumbent's commission expired May 31, 1938.

Russell H. Sullens to be postmaster at Prairie City, Oreg., in place of R. H. Sullens. Incumbent's commission expired February 18, 1939.

Lisle W. Tame to be postmaster at Talent, Oreg., in place of L. W. Tame. Incumbent's commission expired January 18, 1939.

Luella B. Pinkerton to be postmaster at Weston, Oreg., in place of C. L. Pinkerton, deceased.

PENNSYLVANIA

Arthur B. Scheffler to be postmaster at Bath, Pa., in place of A. B. Scheffler. Incumbent's commission expired January 29, 1939.

William S. Scheiry to be postmaster at Bechtelsville, Pa., in place of W. S. Scheiry. Incumbent's commission expired January 29, 1939.

Emma J. Coleman to be postmaster at Braeburn, Pa., in place of E. J. Coleman. Incumbent's commission expired January 29, 1939.

Willard Price to be postmaster at Canadensis, Pa., in place of B. M. Anthony, resigned.

Michael S. Travers to be postmaster at Castle Shannon, Pa., in place of M. S. Travers. Incumbent's commission expired January 29, 1939.

Tilghman S. Cooper to be postmaster at Coopersburg, Pa., in place of T. S. Cooper. Incumbent's commission expired March 18, 1939.

Walter O. Miller to be postmaster at Duncannon, Pa., in place of W. O. Miller. Incumbent's commission expired January 29, 1939.

Raymond D. Kehrer to be postmaster at Eagles Mere, Pa., in place of R. D. Kehrer. Incumbent's commission expired March 18, 1939.

Charles H. Adams to be postmaster at Esterly, Pa., in place of C. H. Adams. Incumbent's commission expired June 18, 1938.

James N. Gardner to be postmaster at Glen Campbell, Pa., in place of J. N. Gardner. Incumbent's commission expired June 6, 1938.

Katharine Olive McCoy to be postmaster at Grove City, Pa., in place of K. O. McCoy. Incumbent's commission expired June 6, 1938.

Maurice M. Rodger to be postmaster at Hooversville, Pa., in place of H. R. Crissey, removed.

James M. Eagen to be postmaster at Jermyn, Pa., in place of J. M. Eagen. Incumbent's commission expired April 6, 1939.

Marie Bengeler to be postmaster at Loretto, Pa., in place of Marie Bengeler. Incumbent's commission expired February 9, 1939.

Joseph C. McCormick to be postmaster at Marion Center, Pa., in place of J. C. McCormick. Incumbent's commission expired March 14, 1938.

Stephen M. Telep to be postmaster at Mayfield, Pa., in place of S. M. Telep. Incumbent's commission expired April 6, 1939.

Claude E. Musser to be postmaster at Millheim, Pa., in place of C. E. Musser. Incumbent's commission expired February 21, 1939.

Luther A. Strayer to be postmaster at Mount Wolf, Pa., in place of L. A. Strayer. Incumbent's commission expired January 29, 1939.

Charles W. Aldrich to be postmaster at New Milford, Pa., in place of C. W. Aldrich. Incumbent's commission expired April 6, 1939.

William Leslie to be postmaster at Parkers Landing, Pa., in place of William Leslie. Incumbent's commission expired June 6, 1938.

William B. Johnston to be postmaster at Philipsburg, Pa., in place of W. B. Johnston. Incumbent's commission expired March 18, 1939.

Thomas V. Brennan to be postmaster at Plymouth, Pa., in place of T. V. Brennan. Incumbent's commission expired February 9, 1939.

Lela E. Randolph to be postmaster at Portland, Pa., in place of L. E. Randolph. Incumbent's commission expired February 15, 1939.

Mae Morgan Beagle to be postmaster at Watsontown, Pa., in place of M. M. Beagle. Incumbent's commission expired February 21, 1939.

RHODE ISLAND

Andrew J. McKeon to be postmaster at Hillsgrove, R. I., in place of A. J. McKeon. Incumbent's commission expired February 13, 1939.

SOUTH CAROLINA

William M. Thornton to be postmaster at Enoree, S. C., in place of W. M. Thornton. Incumbent's commission expired February 20, 1939.

Glen O. Howe to be postmaster at Great Falls, S. C., in place of G. O. Howe. Incumbent's commission expired February 9, 1939.

Eva H. Groce to be postmaster at Lyman, S. C., in place of E. H. Groce. Incumbent's commission expired February 9, 1939.

SOUTH DAKOTA

Berthold Flakoll to be postmaster at Bristol, S. Dak., in place of T. C. Knott. Incumbent's commission expired January 25, 1936.

Arthur P. Ingle to be postmaster at Harrold, S. Dak., in place of A. P. Ingle. Incumbent's commission expired February 15, 1939.

TENNESSEE

Joe C. Hamlett to be postmaster at Ardmore, Tenn., in place of J. C. Hamlett. Incumbent's commission expired January 16, 1939.

Hallie L. Davidson to be postmaster at Daisy, Tenn., in place of Bert Poe, deceased.

Robert T. Lee to be postmaster at Madisonville, Tenn., in place of R. T. Lee. Incumbent's commission expired March 7, 1939.

Flossie Gardner to be postmaster at Tellico Plains, Tenn., in place of Flossie Gardner. Incumbent's commission expired January 16, 1939.

TEXAS

Marshall L. Felker to be postmaster at Avinger, Tex., in place of M. L. Felker. Incumbent's commission expired January 25, 1939.

A. Burton Reagan to be postmaster at Brady, Tex., in place of A. B. Reagan. Incumbent's commission expired January 25, 1939.

Theodore A. Low, Jr., to be postmaster at Brenham, Tex., in place of T. A. Lowe, Jr. Incumbent's commission expired March 12, 1939.

John R. Hays to be postmaster at Cameron, Tex., in place of J. R. Hays. Incumbent's commission expired January 25, 1939.

Charlie L. Pratt to be postmaster at Daingerfield, Tex., in place of C. L. Pratt. Incumbent's commission expired January 25, 1939.

Bessie B. Langford to be postmaster at Evant, Tex. Office became Presidential July 1, 1938.

Robbie G. Ellis to be postmaster at Fort Davis, Tex., in place of R. G. Ellis. Incumbent's commission expired March 12, 1939.

Joseph Kopecky to be postmaster at Hallettsville, Tex., in place of Joseph Kopecky. Incumbent's commission expired February 9, 1939.

Harry H. Mann to be postmaster at Levelland, Tex., in place of H. H. Mann. Incumbent's commission expired February 15, 1939.

Jesse Royce Thigpen to be postmaster at Omaha, Tex., in place of J. R. Thigpen. Incumbent's commission expired January 25, 1939.

Fordyce C. Woodward to be postmaster at Santa Anna, Tex., in place of F. C. Woodward. Incumbent's commission expired June 9, 1938.

UTAH

Theresa R. Taylor to be postmaster at Garfield, Utah, in place of T. R. Taylor. Incumbent's commission expired February 18, 1939.

VIRGINIA

Gertrude C. Ligon to be postmaster at Amelia Court House, Va., in place of G. C. Ligon. Incumbent's commission expired February 9, 1939.

John Hoge Woolwine to be postmaster at Blacksburg, Va., in place of J. H. Woolwine. Incumbent's commission expired February 18, 1939.

Lavone A. Baker to be postmaster at Cartersville, Va., in place of L. A. Baker. Incumbent's commission expired March 8, 1939.

Newman M. Conant to be postmaster at Chincoteague Island, Va., in place of N. M. Conant. Incumbent's commission expired January 18, 1939.

Jane M. Mason to be postmaster at Colonial Beach, Va., in place of J. M. Mason. Incumbent's commission expired January 18, 1939.

Robert B. Spencer to be postmaster at Dillwyn, Va., in place of R. B. Spencer. Incumbent's commission expired March 8, 1939.

Charlie S. Farmer to be postmaster at Jetersville, Va., in place of C. S. Farmer. Incumbent's commission expired January 18, 1939.

Joseph L. Blackburn to be postmaster at Kenbridge, Va., in place of J. L. Blackburn. Incumbent's commission expired January 18, 1939.

Thomas E. Warriner to be postmaster at Lawrenceville, Va., in place of T. E. Warriner. Incumbent's commission expired January 18, 1939.

William C. Whitmore to be postmaster at Leesburg, Va., in place of W. C. Whitmore. Incumbent's commission expired February 18, 1939.

James M. Shannon to be postmaster at Mount Jackson, Va., in place of J. M. Shannon. Incumbent's commission expired January 18, 1939.

Ward S. Atkinson to be postmaster at Shawsville, Va., in place of W. S. Atkinson. Incumbent's commission expired January 18, 1939.

Marion W. Sherman to be postmaster at Shipman, Va., in place of M. W. Sherman. Incumbent's commission expired January 18, 1939.

Edwin J. Shuler to be postmaster at Stanley, Va., in place of E. J. Shuler. Incumbent's commission expired January 18, 1939.

Robert E. Fifer to be postmaster at Staunton, Va., in place of R. E. Fifer. Incumbent's commission expired May 13, 1939.

Jessie R. Stanley to be postmaster at Stanleytown, Va., in place of J. R. Stanley. Incumbent's commission expired March 20, 1939.

Clifford E. Hardy to be postmaster at Victoria, Va., in place of C. E. Hardy. Incumbent's commission expired January 18, 1939.

William T. Fosque to be postmaster at Wachapreague, Va., in place of W. T. Fosque. Incumbent's commission expired March 20, 1939.

Benjamin N. Hubbard to be postmaster at White Stone, Va., in place of B. W. Hubbard. Incumbent's commission expired January 18, 1939.

WASHINGTON

Mark L. Durrell to be postmaster at Deer Park, Wash., in place of M. L. Durrell. Incumbent's commission expired May 13, 1939.

George A. Hauber to be postmaster at Leavenworth, Wash., in place of G. A. Hauber. Incumbent's commission expired January 16, 1939.

Charles E. Schutz to be postmaster at Lind, Wash., in place of C. E. Schutz. Incumbent's commission expired January 16, 1939.

Tolaver T. Richardson to be postmaster at Northport, Wash., in place of T. T. Richardson. Incumbent's commission expired March 8, 1939.

John C. Cody to be postmaster at Republic, Wash., in place of J. C. Cody. Incumbent's commission expired January 16, 1939.

Will W. Simpson to be postmaster at Spokane, Wash., in place of W. W. Simpson. Incumbent's commission expired May 2, 1939.

Raymond M. Badger to be postmaster at Winthrop, Wash., in place of R. M. Badger. Incumbent's commission expired March 21, 1939.

WEST VIRGINIA

Emery L. Woodall to be postmaster at Hamlin, W. Va., in place of E. L. Woodall. Incumbent's commission expired June 15, 1938.

Ellen G. Hilton to be postmaster at Ward, W. Va. Office became Presidential July 1, 1938.

WISCONSIN

Eben R. Hanson to be postmaster at Baileys Harbor, Wis. Office became Presidential July 1, 1936.

Ferdinand A. Nierode to be postmaster at Grafton, Wis., in place of F. A. Nierode. Incumbent's commission expired February 18, 1939.

Michael B. Weyer to be postmaster at Lomira, Wis., in place of M. B. Weyer. Incumbent's commission expired June 15, 1938.

Willard Dirkse to be postmaster at Oostburg, Wis., in place of L. M. Lannoye, deceased.

Louis O. Mueller to be postmaster at Portage, Wis., in place of L. O. Mueller. Incumbent's commission expired May 28, 1938.

Cleveland N. Akey to be postmaster at Port Edwards, Wis., in place of C. N. Akey. Incumbent's commission expired June 8, 1938.

Laura H. Culver to be postmaster at Pound, Wis., in place of L. H. Culver. Incumbent's commission expired January 18, 1939.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 22, 1939

FEDERAL POWER COMMISSION

Leland Olds to be a member.

POSTMASTERS

NEW YORK

Stephen V. Woods, East Randolph.

John G. Funch, Merrick.

Alice E. Colburn, Rose.

Raymond J. Buckley, Valley Stream.

OHIO

Paul C. Schmidt, East Palestine.

J. Lendall Williams, Greenville.

Roy Newlin, Middletown.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 22, 1939

The House met at 12 o'clock noon.

Dr. G. Ellis Williams, superintendent of the Washington district of the Methodist Church of the District of Columbia, offered the following prayer:

O Thou true fountain of light and wisdom, we commend our Nation to the guidance of Thine infinite wisdom, to the keeping of Thy love. Pour out upon us and all the people of this country the spirit of grace and reverence, and join us together in loyalty and good will. Direct the deliberations and strengthen the hands of all in authority so that Thy will may be done on earth as it is in heaven. Kindle in our hearts the pure flame of sacrifice to our country's needs, and grant that the fires of our love may ever reveal Thee to mankind and point the way to universal brotherhood, when the nations of this world shall be one in Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3537) entitled "An act to extend the facilities of the United States Public Health Service to active officers of the Foreign Service of the United States."

Mr. RAYBURN. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. Mr. RAYBURN. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 100]

Arnold
Barden
Boehne
Bolles

Bolton
Boykin
Buck
Buckley, N. Y.

Byrne, N. Y.
Casey, Mass.
Chandler
Clark

Cluett
Connery
Courtney
Culkin